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ABSTRACT

The Ohio Child and Adult Care Food Program (CACFP) provides federal funding and federal food surplus to licensed providers of nonresidential child and adult day care for the purpose of serving nutritious meals and snacks to day care center participants. This manual serves as a provider's guide to addressing management issues for the CACFP. Following an introduction to important program concepts and a program overview, the manual consists of nine chapters which detail the federal and state regulations, policies, and guidelines for each of the following program areas: (1) sponsor applications, terminations, and appeals; (2) financial management policies and guidelines; (3) personnel management; (4) CACFP participation; (5) provider recruitment, training, and support; (6) provider monitoring and operating procedures; (7) payment withholding, suspension, termination, and appeal; (8) civil rights compliance; and (9) visits, reviews, and audits. The manual also contains 16 charts which provide information on indirect program costs; positions descriptions and staffing patterns; pay scales; family day care in Ohio; required forms; eligibility issues; types of program reviews; and rates of reimbursement. (SD)

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Family Day Care Sponsor's Manual

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CHILD AND ADULT CARE FOOD PROGRAM

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Division of Child Nutrition Services
Child and Adult Care Food Program

65 South Front Street, Room 715
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August 1993
Reprinted January, 1995

The Child and Adult Care Food Program, under direction of the Division of Child Nutrition Services, is open to all eligible children regardless of race, color, national origin, sex, age, or disability. If you believe you have been treated unfairly in receiving food services for any of these reasons, write immediately to the Secretary of Agriculture, Washington, DC 20250 or contact the Ohio Department of Education.

The Ohio Department of Education is an equal opportunity employer and service provider.

Acknowledgement

Thirteen years have passed since 1980 when the Ohio Department of Education, Division of Child Nutrition Services approved the first agencies to sponsor the Child and Adult Care Food Program (CACFP) for children in family day care. Sixteen agencies paved the way for the forty-four sponsors who are currently active. The small number of family day care providers who began with the program has grown to more than 6,000 in 1993. Each day approximately 30,000 Ohio children receive nutritious meals while in care with approved providers. Thirteen years have been filled with growth.

As a consequence of CACFP benefits to children in family day care, small businesses were created. Providers became professional caregivers who keep records, pay taxes, attend training, and care for children as well as serve nutritious meals. Sponsoring agencies began or expanded to administer the state and federal program guidelines. The simple idea of feeding children in family day care seems to involve a countless number of complex activities. It is because of the complexity of the activities that the Family Day Care Sponsor's Manual was written. It is the result of our experience in administering the program in cooperation with responsive and positive family day care sponsors.

The function of the manual is to address the daily issues of management as the CACFP is operated in Ohio. Individually, you will recognize ideas, forms, and policies because you sent them or contributed to their development.

The manual results from the skill and support of many. Dianne Radigan prior to employment with the state agency as a consultant, and Kathy Voorhies Family Day Care Specialist with the state agency, collaborated on format and content. Mrs. Radigan brought to the development of each chapter her experience as the former administrator of a major family day care agency. She is responsible for content, manual design, and typing. Mrs. Voorhies brought to the development of each chapter experience gained as a coordinator of the family day care program for the state agency. She is responsible for content and editing. We extend our sincere appreciation to both for their leadership and commitment in completing the Family Day Care Sponsor's Manual. We are grateful to Lauren Farr for creating the CACFP logo and cover design. Funding for the project came from the Division of School Food Service.

Our best hope for the manual is that it will show the wear and tear of continuous use by our sponsors. Many thanks to them for acting as the learning laboratory for its development.

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Director
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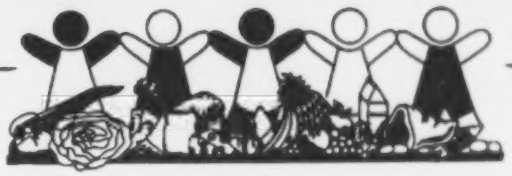

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Child and Adult Care Food Program
About this manual

The Ohio Department of Education, Division of Child Nutrition Services, Child and Adult Care Food Program developed this manual to help guide sponsors in the day-to-day operation of the program. Sponsors are urged to read all of the material carefully and use the manual to answer basic program questions.

This first chapter contains definitions of terms used throughout the manual and a complete version of the federal regulations for the Child and Adult Care Food Program.

Each subsequent chapter is divided into the following sections:

Section A. Federal regulations that apply to that chapter. The regulations have been separated in this manner to help sponsors see the basis for required program operations. Sponsors will note that for some chapters little direction is given by federal regulations and states and sponsors are left to develop their own standards.

Sponsors should be aware that other federal regulations and instructions further define requirements for program operation. Those instructions are noted in section A of each applicable chapter. Contact the state agency for resources cited but not included in the manual.

Section B and after. Ohio Department of Education Policies and Guidance for further clarification and direction. **The information in these sections is considered policy.**

Appendices 1 through 11 contain guidance information and edited copies of related program forms contributed by Ohio family day care home sponsors. To assist the user, the manual begins with general tables of contents for all chapters, all charts, and the appendices, and ends with an extensive index. In addition, each chapter begins with a detailed table of contents.

All materials in this manual can be copied to suit your needs. **Please give credit to the organization that developed a document by citing their name on the reproduction or adaptation.**

~ Chapter 1 Section B ~

Child and Adult Care Food Program Definitions

"AFDC Assistance Unit" means any individual or group of individuals which is currently certified to receive assistance under the Aid to Families with Dependent Children Program in a state where the standard of eligibility for AFDC benefits does not exceed the income eligibility guidelines for free meals under this part.

"Administrative costs" means costs incurred by an institution related to planning, organizing, and managing a food service under the program, and allowed by the state agency financial management instruction.

"Administrative review" means a review of all program operations and information needed to support a sponsor's claim for reimbursement. This review may be unannounced. Administrative review findings, requiring sponsor repayment of overclaims or misclaims, are limited to the month being reviewed.

"Advanced payments" (for administrative costs) means financial assistance made available to an institution for its program costs prior to the month in which such costs will be incurred.

"Assurance" is a clause in the federal-state agreement (form FNS-74, Federal-State National School Lunch Act and Child Nutrition Act Agreement) and administering agency-institution agreement which legally commits the state agency and institution to administer the CACFP in accordance with the Civil Rights Act of 1964 and this Instruction (FNS Instruction 113-4).

"Beneficiaries" those children (and adults) to whom meals are served under the CACFP.

"Bilingual capability" means appropriate bilingual personnel and/or materials are available as needed to limited or non-English communicating persons that will ensure equal opportunity for participation in the program by eliminating any information or communication barriers.

"CACFP child care standards" refers to the standards developed by the U.S. Department of Agriculture for alternate approval of day care providers and homes by the state agency under the provisions of 226.6(d)(2-4).

"Child care facility" means a licensed or approved child care center, day care home, or outside-school hours care center under the auspices of a sponsoring organization.

"Children" means (a) persons 12 years of age and under, (b) children of migrant workers 15 years of age and under, and (c) mentally or physically handicapped persons, as defined by the state, enrolled in an institution or a child care facility serving a majority of persons 18 years of age and under.

"Civil Rights Act and Regulations" Title VI of the Civil Rights Act of 1964; Executive Order 11764, 3A CFR 124 (1974 Compilation); USDA Regulation implementing Title VI of the Civil Rights Act of 1964 as amended on January 30, 1975, 7 CFR 15 Subpart A and Subpart C; Attorney General's Guidelines for the Enforcement of Title VI, Civil Rights Act of 1964, 28 CFR 50.3; Coordination of Enforcement of Nondiscrimination in Federally Assisted Programs under Title VI of the Civil Rights Act of 1964, 28 CFR 42.401 to 42.415; Title 9 of USDA Administrative Regulations; USDA Regulations implementing Title IX of the Education Amendment of 1972, 7 CFR 15a; Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112); and Age Discrimination Act of 1975 (Public Law 94-135).

"Compliance review" is a review of the state agency, institution, or facility's operation of the CACFP to ensure compliance with Title VI of the Civil Rights Act of 1964 and regulations.

"Complaint" means a verbal or written statement alleging discrimination in treatment or services to persons or groups of persons because of their race, color, national origin, sex, age, or handicap.

"Corrective action" is action required of a sponsor to correct findings discovered in a federal, regional office, or state agency review of program operations.

"Current income" means income received during the month prior to application for free or reduced price meals and multiplied by 12. If such income does not accurately reflect the household's annual income, income shall be based on the projected annual household income. If the prior year's income provides an accurate reflection of the household's current annual income, the prior year may be used as a base for the projected income.

"Day care home" means a provider's residence that is used for an organized nonresidential child care program. The residence must be licensed or approved as a family or group day care home under the auspices of a sponsoring organization.

"Demand letter" is the official notification to a provider demanding payment for provider overclaims. It specifies the basis for the overpayment, the amount owed, and the date by which the payment is to be returned to the sponsor. If the letter is not delivered in person, it should be sent by return receipt requested.

"Department" means the U.S. Department of Agriculture.

"Discrimination" means any distinction of one person or a group of persons from others, either intentionally, by neglect, or by the effect of actions or lack of actions based on race, color, national origin, sex, age, or handicap.

"Documentation" means the completion of the following information on a free and reduced price application: (a) names of all household members; (b) social security number of an adult household member or an indication that the adult household member does not possess one; (c) household income received by each household member, identified by source of income (such as earnings, wages, welfare, pensions, support payments, unemployment compensation, and social security), and total household income; and (d) the signature of an adult member of the household. Alternatively, "documentation" for a child who is a member of a food stamp household or an AFDC assistance unit means completion of only the following information on a free and reduced price application: the name(s) and appropriate food stamp or AFDC case number(s) for the child(ren); and the signature of an adult member of the household.

"Enrolled child" means a child whose parent or guardian has submitted to an institution a signed document which indicates that the child is enrolled for child care.

"Exit report" means the written report given to the sponsor by a state, regional, or federal agency after completing a review or visit. The report details findings and corrective action required of the sponsor and advises the sponsor of the right to appeal adverse decisions. The response to the exit report is due from the sponsor within 30 days after receipt. Late response may result in payment being withheld for claims.

"Expansion grant payments" means financial assistance made available to a sponsoring organization for administrative expenses associated with expanding program operations in low income and rural areas. The sponsor must be ineligible to apply for start-up payments either through prior use or program size in excess of 50 homes.

"FNS" is the Food and Nutrition Service of the U.S. Department of Agriculture.

"FNSRO" is the appropriate FNS Regional Office of the Food and Nutrition Service. This office is located in Chicago for Ohio.

"Family" means, in the case of children, a group of related or nonrelated individuals, who are not residents of an institution or boarding house, but who are living as one economic unit.

"Finding" is documentation of noncompliance with federal regulations or state policies. Noncompliance may result from a specific action taken by a sponsor or from lack of action on the sponsor's part. Findings are identified as part of the written exit report given to a sponsor by the reviewing agency.

"Fiscal year" means a period of 12 calendar months beginning October 1 of any year and ending with September 30 of the following year.

"Food stamp household" means any individual or group of individuals currently certified to receive assistance as a household under the Food Stamp Program.

"Free meal" means a meal served under the program to (a) a participant from a family which meets the income standards for free school meals, or to (b) a child who is automatically eligible for free meals by virtue of Food Stamp or AFDC recipiency ... Regardless of whether the participant qualified for free meals by virtue of (a), or (b) ... neither the participant nor any member of their family shall be required to pay or to work in the food service program in order to receive a free meal.

"Grassroot organization" is any organization at the local level which interacts directly with potential participants or beneficiaries such as a community action program, civic organization, migrant group, church, neighborhood council, local chapter of NAACP, or other similar group.

"Group size" is the number of children allowed in care by Ohio Day Care Licensing Law. Regulated and unregulated family day care homes may care for no more than six children at one time. In the group of six, no more than three children may be under two years of age.
The provider's own or related children do not count in the number of six children if they are at least six years old. All other nonrelated children count in the group size until the 15th birthday. If the number of children allowed in care is violated (for regulated as well as unregulated homes), the home becomes an illegal day care operation and subject to review by ODHS district licensing offices.

"Household" means "family" as previously defined.

"Income standards" means the family-size and income standards prescribed annually by the Secretary of Agriculture for determining eligibility for free and reduced price meals under the National School Lunch Program and the School Breakfast Program.

"Income to the program" means any funds used in an institution's food service program, including, but not limited to all monies, other than program payments, received from other federal, state, intermediate, or local government sources; participant's payments for meals and food service fees; income from any food sales to adults; and other income, including cash donations or grants from organizations or individuals.

"Institution" means the sponsoring organization which enters into an agreement with the state agency to assure final administrative and financial responsibility for program operations.

"Meal attendance record (MAR)" is the daily record kept by each provider of the specific meal(s) served to each enrolled and eligible child. The MAR must be completed daily, cannot be completed prior to meal service, and must be submitted to the sponsor at least once each month.

"Meals" means food served to enrolled participants at day care homes which meet the nutritional requirements of the program.

"Minority" means a person or group of persons belonging to the protected classes covered by Title VI of the Civil Rights Act of 1964 and later specified by the Office of Management and Budget as: (1) American Indian or Alaskan Native, (2) Asian or Pacific Islander, (3) Black (not of Hispanic origin), and (4) Hispanic.

"Noncompliance" means a finding that any requirement of the Civil Rights laws and regulations and/or FNS Instruction 113-4 have not been satisfied.

"Nonpricing program" means an institution in which there is no separate identifiable charge made for meals served to participants.

"Nonprofit food service" means that all food service operations are conducted by the institution principally for the benefit of enrollees and that all program reimbursement funds are used solely for the operations or improvement of the food service.

"Nonresidential" means that the same children are not maintained in care for more than 24 hours on a regular basis.

"Operating costs" (food reimbursement payments to providers) are expenses allowed by the state agency financial management instruction and incurred by sponsors for service of meals to eligible children enrolled in family day care homes.

"Personal property" means property of any kind except real property. It may be tangible - having physical existence - or intangible - having no physical existence such as patents, inventions, and copyrights.

"Potential beneficiaries" means those persons who are conceivably eligible to receive meals under the CACFP.

"Preaward compliance review" means a desk review of the proposed operations of a program applicant prior to application approval.

"Program payments" means financial assistance in the form of start-up payments, advance payments, or reimbursement paid or payable to institutions for operating costs and administrative costs.

"Publicly funded child day care" means publicly reimbursed care for infants, toddlers, preschool, and schoolage children during any part of a 24-hour day by persons other than the child's parent, caretaker, or guardian. The care is paid wholly or in part with federal or state funds distributed by the Ohio Department of Human Services.

"Racial/ethnic beneficiary data" means data collected at child day care facilities, using the racial/ethnic categories as defined in FNS Instruction 113-4, and based on visual counts taken during the meal service or information supplied by the parents/guardians of beneficiaries.

"Racial/ethnic categories" The designation of beneficiaries/potential beneficiaries by race, color, or national origin for the collection of racial/ethnic data as follows:

American Indian or Alaskan Native A person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition (includes Aleuts and Eskimos).

Asian or Pacific Islander A person having origins of any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands. This area includes, for example, China, Japan, Korea, the Phillippine Islands, and Samoa.

Black (not of Hispanic origin) A person having origins in the black racial groups of Africa.

Hispanic A person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish culture or origin, regardless of race.

White (not of Hispanic origin) A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.

"Reduced price meal" means a meal served under the program to a participant from a family which meets the income standards for reduced price school meals.

"Reimbursement" means federal financial assistance paid or payable to institutions for program costs within the rates assigned by the state agency.

"Relative by blood, marriage or adoption" by Ohio Department of Human Services rules, means any of the following:

For certified and alternately approved providers
Fathers, mothers, grandfathers, grandmothers, brothers, sisters, stepfathers, stepmothers, stepbrothers, stepsisters, uncles, aunts, nephews, nieces, half brothers, halfsisters, first cousins, or any of the preceding generations denoted by grand, great, or great-great.

For providers with limited or provisional certification
Fathers, mothers, grandfathers, grandmothers, brothers, sisters, nephews, and nieces.

"Serious deficiency" means a sponsor is noncompliant with several federal regulations or state policies. These findings are documented in the exit report to the sponsor after a review and, if they continue uncorrected, are grounds for termination from the program. Some examples of serious deficiencies include: submitting false information to the state agency, failing to send payment to homes within the required five working days, failing to return unused start-up payments, failing to return advance administrative payments in excess of actual costs.

"Sponsoring organization" means a public or nonprofit private organization which is entirely responsible for the administration of the CACFP in one or more day care homes.

"State agency" means the Ohio Department of Education (ODE), Division of School Food Service, Child and Adult Care Food Program.

"Start-up payments" means financial assistance made available to a sponsoring organization for its administrative expenses associated with developing or expanding a food service program in day care homes and initiating successful program operation. Sponsors with 50 or more homes are ineligible. Sponsors may apply for a start-up payment one time.

"Verification" means a review of the information reported by institutions to the state agency regarding the eligibility of participants for free or reduced price meals.

"Verification review" means a review of all program operations and information needed to support a sponsor's claim for reimbursement. The verification review must be announced in advance. Verification review findings requiring sponsor repayment of overclaims or misclaims include the month being reviewed and all months in error back to the beginning of the fiscal year. Findings cannot cross fiscal years.

"Waiver and suspension" are the actions taken by an authorized state agency official within the restrictions of this guidance to suspend or waive a portion or all of an overpayment owed by the sponsor to the state agency on behalf of a provider.

~ Chapter 2 ~

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Federal Regulations
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§226.15 Institution provisions.

(a) Tax-exempt status. Except for proprietary Title XIX and Title XX centers, and sponsoring organizations of such centers, institutions shall be public, or have tax-exempt status under the Internal Revenue Code of 1954, or be moving toward compliance with the requirements for tax-exempt status, or be currently operating another Federal program requiring nonprofit status. An institution which has applied to IRS for tax-exempt status may participate in the Program while its application is pending review by IRS. It shall, however, be the responsibility of the institution to document that it has complied with all requirements of IRS and has provided all information requested. If IRS denies the application for tax-exempt status, the institution shall immediately notify the State agency of such denial. The State agency shall then terminate the participation of the institution. If IRS certification of tax-exempt status has not been received within 12 months of filing the application with IRS, and IRS indicates that the institution has failed to provide all required information, the State agency shall terminate the participation of the institution until such time as IRS tax-exempt status is obtained.

§226.16 Sponsoring organization provisions.

(a) Each sponsoring organization shall comply with all provisions of §226.15.

(b) Each sponsoring organization shall submit to the State agency all information required for its approval and the approval of all child care and adult day care facilities under its jurisdiction, including:

(1) A sponsoring organization management plan, in accordance with §226.6(f)(2);

(2) An application for participation, or renewal materials, for each child care and adult day care facility accompanied by all necessary supporting documentation; and

(3) Timely information concerning the eligibility status of child care and adult day care facilities (such as licensing/ approval actions).

(c) Each sponsoring organization shall accept final administrative and financial responsibility for food service operations in all child care and adult day care facilities under its jurisdiction.

(d) Each sponsoring organization shall provide adequate supervisory and operational personnel for the effective management and monitoring of the program at all child care and adult day care facilities under its jurisdiction. At a minimum, such Program assistance shall include:

(1) Pre-approval visits to each child care and adult day care facility for which application is made to discuss Program benefits and verify that the proposed food service does not exceed the capability of the child care facility;

(2) Staff training for all child care and adult day care facilities in Program duties and responsibilities prior to beginning Program operations;

(3) Additional training sessions, to be provided not less frequently than annually; and

(4) Reviews of food service operations to assess compliance with meal pattern, recordkeeping, and other Program requirements. Such reviews shall be made not less frequently than:

(ii) Three times each year at each day care home, provided at least one review is made during each day care home's first four weeks of Program operations and not more than six months elapse between reviews.

(e) In addition to records required under §226.15(e), each sponsoring organization shall maintain the following:

(1) Information concerning the dates and amounts of disbursements to each child care or adult day care facility;

(2) Information concerning the location and dates of each child care and adult day care facility review, any problems noted, and the corrective action prescribed and effected.

(f) The State agency may require a sponsoring organization to enter into separate agreements for the administration of separate types of facilities (child care centers, day care homes, adult day care centers, and outside-school-hours care centers).

~ Chapter 2 Section B ~

Ohio Department of Education Policies and Guidance Child and Adult Care Food Program overview

The purpose of the Child and Adult Care Food Program is to improve the health and eating habits of participants enrolled in nonresidential child care centers, day care homes, and adult day care centers. The program was created by Congress in response to the need for sound nutrition for children in economically depressed areas. It has grown to include the provision of meals to children in most all child care settings as well as adults in adult day care environments. This chapter provides an overview of the Child and Adult Care Food Program and its administration, an overview of the family day care program, and highlights of the legislative history of the CACFP.

1. **What is the Child and Adult Care Food Program?**
   The Child and Adult Care Food Program (CACFP) provides federal funds and USDA donated food to nonresidential child and adult day care facilities to serve nutritious meals and snacks to participants.

2. **Who may participate?**
   Federal reimbursements for meals and snacks are available to any public or private nonprofit organization, or any for-profit Title XIX or XX organization that provides licensed or approved nonresidential day care services and meets eligibility requirements. Such organizations include but are not limited to:
   a. Child care centers
   b. Family day care homes (must participate under a sponsoring organization)
   c. Outside-school-hours care centers
   d. Head Start centers
   e. Institutions providing daycare services for children with disabilities
   f. Adult day care centers

3. **How is the program administered?**
   a. Child care centers and adult day care centers apply directly to the Ohio Department of Education to operate the CACFP.

   b. Family day care home providers must participate under a sponsoring organization approved by the Ohio Department of Education to operate the CACFP. In Ohio there are over 40 sponsors of the CACFP for family day care.

4. **Who benefits from the CACFP?**
Reimbursement for meals and snacks served in nonresidential care settings are available for all eligible persons regardless of race, color, national origin, sex, age, or handicap. Eligible persons include
   a. Children through 12 years of age
   b. Children of migrant workers through 15 years of age
   c. Persons with disabilities if enrolled in an institution where the majority of the participants are 18 years of age or younger
   d. Functionally impaired adults under 60 years of age and adults 60 years of age and over who are enrolled in adult day care centers

5. **What type of meals must institutions and family day care providers serve?**
All participating institutions and family day care providers must serve meals that meet meal pattern requirements specified in program regulations. In general
   a. Breakfast must include a serving of milk, bread, and fruit or vegetable
   b. Lunch or supper must include a serving of milk, bread, meat, and two servings from the fruit and vegetable group
   c. Snacks must include one food from two different food groups

~ Chapter 2 Section C~

Ohio Department of Education Policies and Guidance Family day care program overview

As with all Child and Adult Care Food Programs, the purpose of the family day care program is to improve the health and eating habits of participants. This section of the manual provides an overview of the family day care program.

1. **How many meals and snacks may be reimbursed per participant each day in family day care?**
   a. Family day care providers are reimbursed at a set rate for breakfast, lunch or supper, and snacks, for not more than two meals and one snack or two snacks and one meal per child per day.

   b. Family day care providers may be reimbursed for the meals served to their own or other residential children if
      - their family income meets standards for free or reduced-price meals, and
      - other nonresidential enrolled children are present and participating in the program for the same meal the provider is claiming for his or her own or other residential children.

2. **What are the meal reimbursement rates for family day care?**
   The meal reimbursement rates are adjusted annually. The rates for family day care providers from July 1, 1994 through June 30, 1995 are as follows

Breakfast	$0 .8275
Lunch or supper	$1 .5050
Snack	$0 .4475

3. **Who may be a sponsor of the CACFP in family day care homes?**
   Sponsoring agencies must show evidence of administrative and financial ability to operate the program. Sponsoring agencies of the CACFP for family day care homes may be either
   a. Public agencies such as county departments of human services. An agency must show proof that it is part of local or state government.

b. Private agencies if they are tax-exempt or have applied for tax exempt status under the Internal Revenue Code of 1954 at the time application is made to the CACFP. An agency that has nonprofit status for another federal program meets this requirement. Local Internal Revenue Service offices can provide information on how to obtain tax-exempt status. Individual day care homes are not required to be tax-exempt.

4. **What is required of sponsors?** Sponsors must be prepared to manage the food service program in approved day care homes according to federal regulations and ODE policies. Sponsors must accept all financial and administrative responsibilities. By regulation, program management functions cannot be subcontracted to others. Financial and administrative responsibilities generally include
   a. Implementing all federal and state regulations regarding the program
   b. Keeping accurate records of administrative costs and program management
   c. Keeping records of child enrollments, menus, meal counts, and meal payments made to day care providers
   d. Monitoring all meal aspects of the program
   e. Ensuring that all meals claimed meet U.S.D.A. meal pattern requirements
   f. Filing a monthly consolidated food reimbursement and administrative claim to the Department of Education
   g. Distributing funds to providers after verifying the accuracy of the meal attendance record and the claim
   h. Distributing funds to providers within five working days after receipt
   i. Offering CACFP approved training for and visits to family day care providers giving them the advice and help needed to successfully participate in the program
   j. Documenting all program management functions
   k. Participating in ODE workshops and in-service activities

5. **What are the benefits of being a CACFP family day care sponsor?** Sponsors are eligible for financial benefits and technical help
   a. **Administrative reimbursement** Sponsors are eligible to receive assistance with administrative costs based on the lesser of
      • actual expenditures for the costs of administering the program

- the amount of administrative costs approved by the state agency in the annual budget
- the number of family day care homes that claim meals each month multiplied by the monthly administrative reimbursement rates. The reimbursement rates are adjusted annually. The rates for July 1, 1994 through June 30, 1995 are

1 - 50 homes	$69
51 - 200 homes	$53
201 - 1000 homes	$41
Each home over 1000	$36

In addition, administrative costs may not exceed 30 percent of the administrative and food service payments for day care home operations. This figure is determined by multiplying the year-to-date value of meal payments to providers by .4286.

b. **Advance payments**
Sponsors may receive advances for administrative costs to help with cash flow and program administration. The advance is issued at the beginning of each month. The amount of the advance is based on the previous 12 month's history of the number of homes actually claiming. ODE regularly compares the advance being sent with earnings to avoid making excess advance payments to the sponsor.

c. **Start-up funds**
Sponsoring organizations may apply one time for start-up funds to assist in recruiting and maintaining family day care participation. These funds are available until the sponsor administers 50 or more homes.

d. **Expansion funds**
Expansion funds are available to sponsors who have used start-up funds or who are ineligible for start-up funds because 50 or more homes are active in the sponsorship. Expansion funds may be used to promote program growth in low income or rural areas only. Generally, sponsors are not approved for these funds during the first year of program operation because they are eligible for start-up funds and busy establishing the program.

e. **Technical assistance**
The Ohio Department of Education serves as more than an administrative organization. ODE tries to help each sponsor make a success of the program by offering technical assistance about food service operations in day care homes, managing program funds, recordkeeping, and nutrition education. Assistance is available through personal visits, telephone calls, workshops, newsletters and publications.

6. **What records must family day care providers keep?**
Providers must maintain up-to-date, accurate, and timely records. In general, providers must
   a. Sign an agreement with the sponsoring organization
   b. Be either licensed, certified, or alternately approved to care for children
   c. Submit enrollment forms for all eligible children
   d. Submit income eligibility forms, as appropriate
   e. Keep daily menu and attendance records

7. **What role does the Department of Education play?**
The Ohio Department of Education is the administering agent for the CACFP in Ohio. ODE:
   a. Provides consultative, technical, and managerial personnel to administer the program and offer guidance to local agencies

   b. Offers sponsors training in program requirements

   c. Conducts state reviews, monitors the CACFP within Ohio, and brings about corrective action in cases where regulations are not being followed

~ *Chapter 2 Section D* ~

Child and Adult Care Food Program Legislative history

The Child and Adult Care Food Program began as a pilot program called the Special Food Service Program for Children in May of 1968. Its purpose was to feed children of working mothers in low income areas. The program has since grown to include all children in child care as well as adults in adult day care. This section of the manual highlights the legislative history that has made the CACFP possible.

1. **P.L. 90-302**

In May 1968 the Special Food Service Program for Children (SFSPFC) was established as a three year pilot program. This program, which was the forerunner of the Child Care Food Program, offered year-round meals that met minimum nutritional standards for children in day care centers located in low income areas or areas with a high concentration of working mothers. Meals were to be served at no cost or reduced cost to the children. Surplus commodities and price-supported commodities were made available.

2. **P.L. 92-433**

In September 1972 Congress extended the Special Food Service Program for Children for an additional 3 years, through FY 1975.

3. **P.L. 94-105**

In November 1975 Congress established and authorized for three years the Child Care Food Program which furnished meals for children in any public or private nonprofit organization that provided nonresidential child care. Family day care and Head Start were included in this funding.

4. **P.L. 95-627**

In November 1978 Congress permanently authorized the Child Care Food Program. This law made available advance payments to all institutions and start-up payments to family day care home sponsors. Children now also included persons with disabilities over 18 years of age. Administrative payment rates for family day care sponsors were established and centers that provided child care outside of school hours were included.

5. **P.L. 96-499**

In December 1980 for-profit child care sponsors became eligible for the program payments if day care for 25 percent or more of the children enrolled was funded under Title XX of the Social Security Act.

6. **P.L. 97-35**

In August 1981 the program was cut back by reducing the ages and types of children eligible for participation and by reducing the number of meals and snacks. With this law only children through age 12 were eligible. The exceptions to this were children of migrant workers who were eligible through age 14 and persons of any age enrolled in an institution where the majority of the persons were 18 years of age or younger.

Further program cutbacks included limiting the reimbursement to two meals and one snack or two snacks and one meal and reimbursing family day care providers for the meals for their own children only if the provider's family was eligible for free or reduced-price meals. Social Security numbers were required of all household members when family day care providers were reimbursed for own or residential child(ren's) meals.

7. **P.L. 99-661**

In November 1986 child care facilities that were housed in schools were allowed to share their facilities, equipment, and personnel with elderly feeding programs. In addition, state agencies were allowed to refuse institutions the right to appeal the findings of a federal audit.

8. **P.L. 100-175**

In November 1987 adult day care centers were allowed to receive benefits of the Child Care Food Program through the Older American's Act (OAA) Amendment to the National School Lunch Act.

9. **P.L. 100-435**

In September 1988 an additional meal or snack was allowed for eligible children cared for in centers for eight hours or more each day. Centers could now claim three meals and one snack or two meals and two snacks for eligible children. In addition, a demonstration project to assess the feasibility of adding an additional meal or snack for children in family day care was funded for one state.

10. **P.L. 101-147**

In November 1989 the name of the program was changed to the Child and Adult Care Food Program to reflect the November 1987 change which included older adults. Adult day care lunches were to provide, on average, one-third of the daily recommended dietary allowance. Governors were allowed to designate a separate state agency to administer the adult day care portion of the program. States were given the option of accepting program applications from child and adult care institutions every other year rather than annually. Households were required to provide only the Social Security number of the primary wage earner or person who signed the free or reduced price application. Sponsors were responsible for totaling the income information. The Minnesota Demonstration Project, which assessed the feasibility of adding an additional meal or snack for children in family day care, was extended to September 30, 1990. Several demonstration projects were established to help improve program access by low income children. Administrative funding for family day care sponsors to expand the program to rural and low-income areas was added.

~ Chapter 3 ~

Child and Adult Care Food Program
Sponsor application, termination, and appeal
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~ Chapter 3 Section A ~

Federal Regulations
Sponsor application, termination, and appeal

§226.6 State agency administrative responsibilities

(a) State agency personnel.
Each State agency shall provide sufficient consultative, technical and managerial personnel to administer the Program, provide sufficient training and technical assistance to institutions and monitor performance to facilitate expansion and effective operation of the Program.

(b) Application approval.
Each State agency shall establish an application procedure to determine the eligibility under this part of applicant institutions, and facilities for which applications are submitted by sponsoring organizations. State agencies, by written consent of the State agency and the institutions, shall renew agreements with institutions not less frequently than annually. A State agency may not execute an agreement to be effective during two fiscal years but may nevertheless establish an ongoing renewal process for the purpose of reviewing and approving applications from participating institutions throughout the fiscal year. As a minimum, such application approval process shall include:

(1) Renewal of the Program agreement;

(3) For sponsoring organizations of day care homes, submission of the current total number of children enrolled, and an assurance that day care home providers' children enrolled in the Program are eligible for free or reduced price meals;

(4) Issuance of a nondiscrimination policy statement and media release;

(5) For sponsoring organizations, submission of a management plan;

(6) Submission of an administrative budget;

(7) Submission of documentation that all child care centers, adult day care centers, outside-school-hours care centers, and day care homes for which application is made are in compliance with Program licensing/approval provisions;

(10) Institutional choice to receive all, part, or none of advance payment. Any institution applying for participation in the Program shall be notified of approval or disapproval by the State agency in writing within 30 calendar days of filing a complete and correct application. If an institution submits an incomplete application, the State agency shall notify the institution within 15

calendar days of receipt of the application and shall provide technical assistance, if necessary, to the institution for the purpose of completing its application. Any disapproved applicant shall be notified of its right to appeal under paragraph (j) of this section.

(c) Denial of applications and termination of institutions. The State agency shall not enter into an agreement with any applicant institution which the State agency determines to have been seriously deficient at any time in its operation of any Federal child nutrition program. However, the State agency may enter into an agreement with such an institution when with FNS concurrence it determines that the deficiencies have been corrected. The State agency shall terminate the program agreement with any institution which it determines to be seriously deficient. However, the State agency shall afford an institution every reasonable opportunity to correct problems before terminating the institution for being seriously deficient. The State agency shall notify FNS whenever it has denied an application from or terminated the participation of a seriously deficient institution. This notification shall be made within 15 days of the review official's decision upholding the State's action or, if the institution elects not to appeal the decision, within 15 days of the expiration of the appeal right. FNS will maintain a list of these institutions and will notify all other State agencies of these institution's ineligibility to participate in the program. FNS may determine independently that an institution has been seriously deficient in its operation of any Federal child nutrition program and include such institution on the list of ineligible institutions if appropriate corrective action is not taken. State agencies shall not enter into an agreement with any institution included on this list of ineligible institutions and shall terminate any participating institution included on the list within 30 days of the receipt of notification by FNS of the institution's ineligible status. Once included on this list, an institution shall be ineligible to participate in the program until such time as FNS, in consultation with the appropriate State agency, determines that the serious deficiency which resulted in the ineligible status has been corrected. Any institution which is identifiable with a seriously deficient institution through its corporate organization, officers, employees, or otherwise shall also be considered to be ineligible unless it is demonstrated to the satisfaction of the State agency, with FNS concurrence, that good cause exists for considering the institution distinct from the seriously deficient institution. Denial or termination actions taken on the basis of FNS notification of ineligible status shall not be subject to administrative review as provided in 226.6(k). However, an institution which FNS has determined to be seriously deficient and which has not taken acceptable corrective action may request an administrative review of this determination by an FNS review official in accordance with the appeal procedures set forth in 226.6(k) and will not be included on the list of ineligible institutions unless FNS' determination

is upheld by the review official. Serious deficiencies, which are grounds for disapproval of applications and for termination include, but are not limited to, any of the following:

(1) Noncompliance with the applicable bid procedures and contract requirements of Federal child nutrition program regulations;

(2) The submission of false information to the State agency;

(3) Failure to return to the State agency any advance payments which exceeded the amount earned for serving eligible meals, or failure to return disallowed start-up payments;

(4) Failure to maintain adequate records;

(5) Failure to adjust meal orders to conform to variations in the number of participants;

(6) The claiming of Program payments for meals not served to participants;

(7) Service of a significant number of meals which did not include required quantities of all meal components;

(8) Continued use of food service management companies that are in violation of health codes;

(9) Failure of a sponsoring organization to disburse payments to its facilities in accordance with its management plan;

(10) A history of administrative or financial mismanagement in any Federal child nutrition program;

(d) Licensing/approval for child care centers, outside-school-hours care centers and day care homes. This section prescribes State agency responsibilities to ensure that child care centers and day care homes meet the licensing/approval criteria set forth in this part. Sponsoring organizations shall submit to the State agency documentation that facilities under their jurisdiction are in compliance with licensing/approval requirements.

(1) General. Each State agency shall establish procedures to annually review information submitted by institutions to ensure that all participating child care centers, day care homes, and outside-school-hours care centers either

(i) Are licensed or approved by Federal, State, or local authorities, provided that institutions which are approved for Federal programs on the basis of State or local licensing shall not be eligible for the Child and Adult Care Food Program if their licenses lapse or are terminated;

(ii) Are complying with applicable procedures to renew licensing or approval in situations where the State agency has no information that licensing or approval will be denied; or

(iii) Receive Title XX funds for providing child care, if licensing or approval is not available; or

(iv) Demonstrate compliance with applicable State or local child care standards to the State agency, if licensing is not available and Title XX funds are not received; or

(v) Demonstrate compliance with CACFP child care standards to the State agency, if licensing or approval is not available and Title XX funds are not received.

(2) CACFP child care standards. (i) When licensing or approval is not available, independent child care centers, and sponsoring organizations on behalf of their child care centers or day care homes, may elect to demonstrate compliance,

annually, with the following CACFP child care standards or others standards specified in paragraph (d)(3) of this section:

(A) Staff/child ratios. *ODE follows Ohio Revised Code for Foster Care and Type A Family Day Care Homes and Type B Certification Rules for Family Day Care Homes in regard to staff/child ratios.*

(B) Nondiscrimination. Day care services are available without discrimination on the basis of race, color, national origin, sex, age, or handicap.

(C) Safety and sanitation. (1) A current health/sanitation permit or satisfactory report of an inspection conducted by local authorities within the past 12 months shall be submitted. (2) A current fire/building safety permit or satisfactory report of an inspection conducted by local authorities within the past 12 months shall be submitted. (3) Fire drills are held in accordance with local fire/building safety requirements.

(D) Suitability of facilities. (1) Ventilation, temperature, and lighting are adequate for children's safety and comfort. (2) Floors and walls are cleaned and maintained in a condition safe for children. (3) Space and equipment including rest arrangements for preschool age children, are adequate for the number and age range of participating children.

(E) Social services. Independent centers, and sponsoring organizations in coordination with their facilities, have procedures for referring families of children in care to appropriate local health and social service agencies.

(F) Health services. (1) Each child is observed daily for indications of difficulties in social adjustment, illness, neglect, and abuse, and appropriate action is initiated. (2) A procedure is established to ensure prompt notification of the parent or guardian in the event of a child's illness or injury, and to ensure prompt medical treatment in case of emergency. (5) First aid supplies are available. (6) Staff members undergo initial and periodic health assessments.

(G) The institution provides for orientation and ongoing training in child care for all caregivers.

(H) Parental involvement. Parents are afforded the opportunity to observe their children in day care.

(I) Self-evaluation. The institution has established a procedure for periodic self-evaluation on the basis of CACFP child care standards.

(3) Alternate approval procedures. Each State agency shall establish procedures to review information submitted by institutions for centers or homes for which licensing or approval is not available in order to establish eligibility for the Program. Licensing or approval is not available when (i) no Federal, State, or local licensing/approval standards have been established for child care centers, outside-school-hours care centers, or day care homes; or (ii) no mechanism exists to determine compliance with licensing/approval standards. In these situations, independent centers, and sponsoring organizations on behalf of their facilities, may choose to demonstrate compliance with either CACFP child care standards, applicable State child care standards,

or applicable local child care standards. State agencies shall provide information about applicable State child care standards and CACFP child care standards to institutions, but may require institutions electing to demonstrate compliance with applicable local child care standards to identify and submit these standards. The State agency may permit independent centers, and sponsoring organizations on behalf of their facilities, to submit self-certification forms, and may grant approval without first conducting a compliance review at the center or facility. But the State agency shall require submission of health/sanitation and fire/safety permits or certificates for all independent centers and facilities seeking alternate child care standards approval. Compliance with applicable child care standards are subject to review in accordance with §226.7(n).

(f) Annual requirements. State agencies shall require institutions to comply with applicable provisions of this part. Each State agency shall annually:

(1) Enter into and execute a written Program agreement with each institution, or review such agreement with the written concurrence of the institution. The Program agreement shall provide that the institution shall accept final financial and administrative responsibility for management of an effective food service, comply with all requirements under this Part, and comply with all requirements of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975 and the Department's regulations concerning nondiscrimination (7CFR Parts 15, 15a and 15b), including requirements for racial and ethnic partcipation data collection, public notification of the nondiscrimination policy, and reviews to assure compliance with such policy, to the end that no person shall, on the grounds of race, color, national origin, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Program.

(2) Require each sponsoring organization to submit a management plan with its application for review and approval. Such a plan shall include detailed information on the organizational administrative budget, and procedures which will be used by the sponsoring organization to administer the Program in and disburse payments to the child care facilities under its jurisdiction.

(3) Require each institution to submit an administrative budget. Each sponsoring organization shall be required to incorporate this budget into its management plan.

(g) Program expansion. Each State agency shall take action to expand the availability of benefits under this Program. At a minimum, the State shall annually notify each nonparticipating child care center, outside-school - hours care center, and day care home within the State that is licensed, approved, registered, or receiving funds under Title XX and each nonparticipating adult day care center that is licensed or approved, of the availability of the Program, the requirements for Program participation, and the

application procedures to be followed in the Program. The State agency shall make the list of child care centers, adult day care centers, outside-school-hours care centers, and day care homes notified each year available to the public upon request.

(j) Procurement provisions.
State agencies shall require institutions to adhere to the procurement provisions set forth in §226.22.

(k) Institution appeal procedures. Except as provided in §226.8(g), each State agency shall establish an appeal procedure to be followed by an institution requesting a review of a denial of an institution's application for participation, a denial of an application submitted by a sponsoring organization on behalf of a facility, a termination of the participation of an institution or facility, a suspension of an institution's agreement, a denial of an institution's application for start-up payments, a denial of an advance payment, a denial of all or a part of the claim for reimbursement, (except for late submission under §226.10(e)), a denial by the State agency to forward to FNS an exception, request by the institution or sponsoring organization for payment of a late claim or a request for an upward adjustment to a claim, demand for the remittance of an overpayment, and any other action of the State agency affecting the participation of an institution in the Program or the institution's claim for reimbursement. State agencies may use their own State appeal procedures provided the same procedures are applied to all appellants in the State and the procedures meet the following requirements: appellants are assured of a fair and impartial hearing before an independent official at which they may be represented by legal counsel; decisions are rendered in a timely manner not to exceed 120 days from the date of the receipt of the request for the review; appellants are afforded the right to either a review of the record with the right to file written information, or a hearing which they may attend in person; and adequate notice is given of the place, date and procedures of the hearing. The appeal procedures adopted by the State agency shall be made available in writing each year to all institutions at the time of application for participation in the Program and upon request. If the State has not established its own appeal procedures or the procedures do not meet the above listed criteria, the State agency shall observe the follow procedures at a minimum:

(1) The institution shall be advised in writing of the grounds on which the State agency based its action. The notice of action, which shall be sent by certified mail, return receipt requested, shall also include a statement indicating that the institution has the right to appeal the action;

(2)The written request for review shall be filed by the appellant not later than 15 calendar days from the date the appellant received the notice of action, and the State shall acknowledge the receipt of the request for appeal within 10 calendar days;

(3) The appellant may refute the charges contained in the notice of

action in person and by written documentation to the review official. In order to be considered, written documentation must be filed with the review official not later than 30 calendar days after the appellant received the notice of action. The appellant may retain legal counsel, or may be represented by another person. A hearing shall be held by the review official in addition to, or in lieu of, a review of written information submitted by the appellant only if the appellant so specifies in the letter of request for review. Failure of the appellant institution's representative to appear at a scheduled hearing shall constitute the appellant institution's waiver of the right to a personal appearance before the review official, unless the review official agrees to reschedule the hearing. A representative of the State agency shall be allowed to attend the hearing to respond to the appellant's testimony and to answer questions posed by the review official;

(4) If the appellant has requested a hearing, the appellant and the State agency shall be provided with at least 10 calendar days advance written notice, sent by certified mail, return receipt requested, of the time and place of the hearing;

(5) Any information on which the State agency's action was based shall be available to the appellant for inspection from the date of receipt of the request for review;

(6) The review official shall be an independent and impartial official other than, and not accountable to, any person authorized to make decisions that are subject to appeal under the provisions of this section;

(7) The review official shall make a determination based on information provided by the State agency and the appellant, and on Program regulations;

(8) Within 60 calendar days of the State agency's receipt of the request for review, the review official shall inform the State agency and the appellant of the determination of the review;

(9) The State agency's action shall remain in effect during the appeal process. However, participating institutions and facilities may continue to operate under the Program during an appeal of termination, unless the action is based on imminent dangers to the health or welfare of participants. If the institution or facility has been terminated for this reason, the State agency shall so specify in its notice of action. Institutions electing to continue operating while appealing terminations shall not be reimbursed for any meals served during the period of the appeal if the State agency's action is upheld; and

(10) The determination by the State review official is the final administrative determination to be afforded to the appellant.

(11) Appeals shall not be allowed on decisions made by FNS on requests for exceptions to the claims submission deadlines stated in §226.10(e) or requests for upward adjustments to claims.

(12) In cases where an appeal results in the dismissal of a claim against an institution which was asserted by the State agency based upon Federal audit findings, FNS may assert a claim against the State agency

in accordance with the procedures outlined in §226.14(c).

(1) Program assistance. Each State agency shall provide technical and supervisory assistance to institutions and facilities to facilitate effective Program operations, monitor progress toward achieving Program goals, and ensure compliance with the Department's nondiscrimination regulations (Part 15 of this title) issued under Title VI of the Civil Rights Act of 1964. Documentation of supervisory assistance activities, including reviews conducted, corrective actions prescribed, and follow-up efforts, shall be maintained on file by the State agency.

§226.15 Institution provisions.

(a) Tax-exempt status. Except for proprietary Title XIX and Title XX centers, and sponsoring organizations of such centers, institutions shall be public, or have tax-exempt status under the Internal Revenue Code of 1954, or be moving toward compliance with the requirements for tax-exempt status, or be currently operating another Federal program requiring nonprofit status. An institution which has applied to IRS for tax-exempt status may participate in the Program while its application is pending review by IRS. It shall, however, be the responsibility of the institution to document that it has complied with all requirements of IRS and has provided all information requested. If IRS denies the application for tax-exempt status, the institution shall immediately notify the State agency of such denial. The State agency shall then terminate the participation of the institution. If IRS certification of tax-exempt status has not been received within 12 months of filing the application with IRS, and IRS indicates that the institution has failed to provide all required information, the State agency shall terminate the participation of the institution until such time as IRS tax-exempt status is obtained.

(b) Applications. Each institution shall submit to the State agency all information required for its approval. As a minimum, such information shall include:

(1) Except for proprietary Title XIX and Title XX centers and sponsoring organizations of proprietary Title XIX and Title XX centers, evidence of nonprofit status, in accordance with Section 226.15(a).

(2) An application for participation, or application renewal materials, accompanied by all necessary supporting documentation;

(3) An administrative budget;

(5) A nondiscrimination and free and reduced price policy statement, and information regarding a public release, in accordance with §226.23.

(c) Responsibility. Each institution shall accept final administrative and financial responsibility for Program operations. No institution may contract out for management of the Program.

(d) Staffing. Each institution shall provide adequate supervisory and operational personnel for management and monitoring of the Program.

(e) Recordkeeping. Each institution shall establish procedures to collect and maintain all necessary Program records. Such records shall include:

(1) Copies of all applications and supporting documents submitted to the State agency;

(2) Documentation of the enrollment of each participant including family-size and income information used to determine eligibility for free or reduced price meals for each participant reported as being in either need category, at child care centers, adult day care centers and outside-school-hours care centers. Such information shall include the Social Security number of each adult member of the household. However, when a household applies for free meal eligibility on behalf of a child who is a member of a food stamp household or AFDC assistance unit in accordance with §226.23(e)(1)(iv), such information shall consist of the food stamp or AFDC case number of the child(ren) for whom free meal benefits are being claimed. When a household applies for free meal eligibility on behalf of an adult participant who is a member of a food stamp household or is an SSI or Medicaid participant in accordance with §226.23(1)(v), such information shall consist of the food stamp case number or SSI or Medicaid identification number of the adult participant for whom free meal benefits are being claimed.

(3) Documentation of the enrollment of each child at day care homes and the family size and income information used to determine the eligibility of enrolled providers' children for free or reduced price meals. Such information shall include the Social Security number of each adult member of the household of which the provider's child is a member. However, when a provider's own child is a member of a foodstamp household or an AFDC assistance unit and free meal benefits have been applied for in accordance with §226.23(e)(1)(iv), such information shall consist of the child(ren)'s food stamp or AFDC case number.

(4) Daily records indicating the number of participants in attendance and the number of meals, by type (breakfast, lunch, supper, and supplements), served to participants.

(7) Copies of invoices, receipts, or other records required by the State agency financial management instruction to document:

(i) Administrative costs claimed by the institution;

(ii) Operating costs claimed by the institution except sponsoring organizations of day care homes; and

(iii) Income to the Program.

(8) Copies of all claims for reimbursement submitted to the State agency;

(9) Receipts for all Program payments received from the State agency;

(10) Copies of menus, and any other food service records required by the State agency; and

(11) Information on training session date(s) and location(s), as well as topics presented and names of participants;

(12) Maintain documentation of nonprofit food service to ensure that all Program reimbursement funds are used: (i) Solely for the conduct of the food service operation; or (ii) to improve such food service operations, principally for the benefit of the enrolled participants.

(f) Claims submission. Each institution shall submit claims for reimbursement to the State agency in accordance with 226.10.

(g) Program agreement. Each institution shall enter into a Program agreement with the State agency in accordance with §226.6(f)(1).

(i) Special Milk Program. No institution may participate in both the Child and Adult Care Food Program and the Special Milk Program at the same time.

§226.16 Sponsoring organization provisions.

(a) Each sponsoring organization shall comply with all provisions of §226.15.

(b) Each sponsoring organization shall submit to the State agency all information required for its approval and the approval of all child care and adult day care facilities under its jurisdiction, including

(1) A sponsoring organization management plan, in accordance with §226.6(f)(2);

(2) An application for participation, or renewal materials, for each child care and adult day care facility accompanied by all necessary supporting documentation; and

(3) Timely information concerning the eligibility status of child care and adult day care facilities (such as licensing/approval actions).

(c) Each sponsoring organization shall accept final administrative and financial responsibility for food service operations in all child care and adult day care facilities under its jurisdiction.

(d) Each sponsoring organization shall provide adequate supervisory and operational personnel for the effective management and monitoring of the program at all child care and adult day care facilities under its jurisdiction.

(e) In addition to records required under §226.15(e), each sponsoring organization shall maintain the following:

(1) Information concerning the dates and amounts of disbursements to each child care or adult day care facility;

(2) Information concerning the location and dates of each child care or adult day care facility review, any problems noted, and the corrective action prescribed and effected.

(j) A for-profit organization shall be eligible to serve as a sponsoring organization for proprietary Title XIX or Title XX centers which have the same legal identity as the organization, but shall not be eligible to sponsor proprietary Title XIX or Title XX centers which are legally distinct from the organization, day care homes, or public or private nonprofit centers.

~ Chapter 3 Section B ~

Ohio Department of Education Policies and Guidance Sponsor application procedure

Federal regulations provide detailed information about sponsor application requirements. This section of the manual offers an overview of sponsor application responsibilities.

1. **Pre-application training**
   New applicants must attend the Ohio Department of Education sponsored pre-application training session to receive application forms and program information. In most cases, application may be made at any time during the fiscal year.

2. **Information required in the application**
   The Ohio Department of Education will provide sponsors with appropriate forms to complete the application at the pre-application training. As a part of the application, sponsors must provide the Ohio Department of Education with a sound plan to manage the program. In general, the plan must include
   a. A realistic administrative budget
   b. A list of all staff, salaries, hours worked, and functions
   c. The agency's preference for advance payments
   d. An estimate of the number of providers the sponsor anticipates will claim meals during the year
   e. Documentation that all day care homes are in compliance with program licensing, certification, or approval provisions
   f. Methods for monitoring the meal service
   g. A system for recordkeeping
   h. Procedures for verifying the accuracy of provider claims
   i. A system for disbursing provider payments
   j. A program of nutrition education and provider support
   k. The issuance of a nondiscrimination policy statement and media release

3. **Annual renewal of the sponsor application**
   All agencies must reapply annually for program approval. The fiscal year begins October 1 with applications and agreements due on or before this date to avoid loss of meal and administrative funds.

4. **Annual renewal of provider participation**
Sponsors must renew the applications of all day care providers on an annual basis. Only those correctly renewed or approved are eligible for meal payments in the new fiscal year. Please see the chapter titled *CACFP Participation* for specific information about annual renewal of provider participation.

5. **State agency response**
The state agency is required to respond to the applicant agency within 15 days of receiving the application when additional information or corrections are required for final approval. Notification of final program approval is made within 30 days of the date all required information and forms are received and correct.

~ Chapter 3 Section C ~

Ohio Department of Education Policies and Guidance Denial of sponsor application and termination of sponsor participation

The Ohio Department of Education is prohibited from entering into an agreement with any institution which has been seriously deficient at any time in operating any of the federal child nutrition programs. ODE is also required to terminate the program agreement with any institution it determines, in the course of annual operation, to be seriously deficient. Before such a determination is made, the agency will be given assistance and opportunity to improve program operations.

Serious deficiencies which are grounds for denial or termination include, but are not limited to, any of the following:

1. Submission of false information to the state agency
2. Failure to return to the state agency any advance payments which exceed the allowed amount
3. Failure to return disallowed start-up or expansion payments
4. Failure to maintain adequate records
5. Claiming program payments for meals not served to participants
6. Service, or payment for, a significant number of meals which did not include required quantities of all meal components
7. Failure to disburse meal payments to day care providers within the federal requirements and state agency guidelines

~ Chapter 3 Section D ~

Ohio Department of Education Policies and Guidance
Sponsor right to appeal adverse decisions

Sponsors have the right to appeal state agency actions or decisions. Detailed appeal procedures are available from the state agency. State agency actions a sponsor might appeal include, but are not limited to

1. Denial of the sponsor's application for participation
2. Denial of a provider's application to participate
3. Termination of the sponsor's program application
4. Termination of a provider's program application
5. Suspension of a sponsor's agreement
6. Denial of the sponsor's application for start-up or expansion payments
7. Denial of an advance payment of administrative funds
8. Denial of all or part of the claim for reimbursement, except for late submission under 226.10(e)
9. Denial by the state agency to forward to the Food and Nutrition Service (FNS) an exception request for payment of a late claim, request for an upward adjustment to a claim, or action of the state agency affecting the sponsor's participation in the program or the claim for reimbursement

~ Chapter 4~

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~ Chapter 4 Section A ~

Federal Regulations
Financial management

§226.10 Program payment procedures

(a) By the first day of each month of operation, the State agency shall provide an advance payment to each institution electing to receive such payments, in accordance with 226.6 (b) (10). Advance payments shall equal the full level of claims estimated by the State agency to be submitted in accordance with paragraph (c) of this section, considering prior reimbursement claims and other information such as fluctuations in enrollment. The institution may decline to receive all or any part of the advance.

(b) For each fiscal year, the amount of payment made, including funds advanced to an institution, shall not exceed the amount of valid reimbursement claimed by that institution. To ensure that institutions do not receive excessive advance payments, the State agency shall observe the following procedures:

(1) After three advance payments have been made to an institution, the State agency shall ensure that no subsequent advance is made until the State agency has validated the institution's claim for reimbursement for the third month prior to the month for which the next advance is to be paid.

(2) If the State agency has audit or monitoring evidence of extensive program deficiencies or other reasons to believe that an institution will not be able to submit a valid claim for reimbursement, advance payments shall be withheld until the claim is received or the deficiencies are corrected.

(3) Each month the State agency shall compare incoming claims against advances to ensure that the level of funds authorized under paragraph (a) of this section does not exceed the claims for reimbursement received from the institution. Whenever this process indicates that excessive advances have been authorized, the State agency shall either demand full repayment or adjust subsequent pay-

ments, including advances.

(4) If, as a result of year end reconciliation as required by the Department's Uniform Federal Assistance Regulations (7CFR Part 3015), the State agency determines that reimbursement earned by an institution during a fiscal year is less than the amount paid, including funds advanced to that institution, the State agency shall demand repayment of the outstanding balance or adjust subsequent payments.

(c) Claims for Reimbursement shall report information in accordance with the financial management system established by the State agency, and in sufficient detail to justify the reimbursement claimed and to enable the State agency to provide the Reports of Child and Adult Care Food Program Operations required under 226.7 (d). In submitting a Claim for Reimbursement, each institution, shall certify that records are available to support that claim.

(d) All records to support the claim shall be retained for a period of three years after the date of submission of the final claim for the fiscal year to which they pertain, except that if audit findings have not been resolved, the records shall be retained beyond the end of the three year period as long as may be required for the resolution of the issues raised by the audit. All accounts and records pertaining to the Program shall be made available, upon request, to representatives of the State agency, of the Department, and of the U.S. General Accounting Office for audit or review, at a reasonable time and place.

(e) Unless otherwise approved by FNS, the Claim for Reimbursement for any month shall cover only Program operations for that month except if the first or last month of Program operations in any fiscal year contains 10 operating days or less, such month may be added to the Claim for Reimbursement for the appropriate adjacent month; however, Claims for Reimbursement may not combine operations occurring in two fiscal years. A final Claim for Reimbursement shall be postmarked and/or submitted to the State agency not later than 60 days following the last day of the full month covered by the claim. State agencies may establish shorter deadlines at their discretion. Claims not postmarked and/or submitted within 60 days shall not be paid with Program funds unless FNS determines that an exception should be granted. The State agency shall promptly take corrective action with respect to any Claim for Reimbursement as determined necessary through its claim review process or otherwise. In taking such corrective action, State agencies may make upward adjustments in Program funds claimed on claims filed within the 60 day deadline if such adjustments are completed within 90 days of the last day of the claim month and are reflected in the final Report of Child and Adult Care Food Program Operations (FNS - 44) for the claim month which is required under §226.7 (d). Upward adjustments in Program funds claimed which are not reflected in the final FNS 44 for the claim month shall not be made unless authorized by FNS. Downward adjustments in Program funds claimed shall always be

made without FNS authorization regardless of when it is determined that such adjustments are necessary.

(f) If a State agency has reason to believe that an institution or food service management company has engaged in unlawful acts with respect to Program operations, evidence found in audits, investigations or other reviews shall be a basis for non-payment of claims for reimbursement.

§226.12 Administrative payments to sponsoring organizations for day care homes.

(a) Sponsoring organizations for day care homes shall receive payments for administrative costs. During any fiscal year, administrative costs payments to sponsoring organizations may not exceed the lesser of (1) actual expenditures for the costs of administering the Program less income to the Program, or (2) the amount of administrative costs approved by the State agency in the sponsoring organization's budget, or (3) the sum of the products obtained by multiplying each month the sponsoring organization's:

(i) Initial 50 day care homes by 42 dollars;

(ii) Next 150 day care homes by 32 dollars;

(iii) Next 800 day care homes by 25 dollars; and

(iv) Additional day care homes by 22 dollars.

(Please see the appendix for the rate for the current fiscal year.)

During any fiscal year, administrative payments to a sponsoring organization may not exceed 30 percent of the total amount of administrative payments and food service payments for day care home operations.

(b) Prospective sponsoring organizations of day care homes, participating sponsoring organizations of child care centers or outside-school-hours care centers, independent centers, and participating sponsoring organizations of fewer than 50 homes which meet the criteria of this paragraph shall be entitled to receive start-up payments to develop or expand successful Program operations in daycare homes. The State agency shall approve start-up payments only once for any eligible sponsoring organization. Sponsoring organizations which apply for start-up payments shall evidence:

(1) Public or nonprofit status in accordance with §226.15(a), except that sponsoring organizations which are moving toward compliance with the requirements for IRS tax-exempt status must demonstrate current tax-exempt status under the State law and regulations;

(2) an organizational history of managing funds and ongoing activities (i.e. administering public or private programs);

(3) an acceptable and realistic plan for recruiting day care homes to participate in the Program, which

may be based on estimates of the number of day care homes to be recruited and information supporting their existence (e.g., the method of contacting providers); and

(4) acceptable preliminary sponsoring organization management plan (e.g., plans for preoperational visits, training).

The State agency shall deny start-up payments to applicant sponsoring organizations which fail to meet any of these criteria or which have demonstrated financial irresponsibility in the operation of other programs funded by Federal, State, or local governments. The State agency shall notify the sponsoring organization of the reasons for denial and allow the sponsoring organization full opportunity to submit evidence on appeal as provided for in §226.6 (k). Any sponsoring organization applying for start-up funds shall be notified of approval or disapproval by the State agency in writing within 30 calendar days of filing a complete and correct application. If a sponsoring organization submits an incomplete application, the State agency shall notify the sponsoring organization within 15 calendar days of receipt of the application and shall provide technical assistance, if necessary, to the sponsoring organization for the purpose of completing its application.

(c) Applicant sponsoring organizations which apply for and meet the criteria for start-up payments shall enter into an agreement with the State agency. The agreement shall specify:

(1)Activities which the sponsoring organization will undertake to initiate or expand Program operations in day care homes;

(2) The amount of start-up payments to be issued to the sponsoring organization, together with a budget detailing the costs which the sponsoring organization shall incur, document, and claim;

(3) The time allotted to the sponsoring organization for the initiation or expansion of Program operations in family day care homes;

(4) The responsibility of the applicant sponsoring organization to repay, upon demand by the State agency, start-up payments not expended in accordance with the agreement.

(d) Upon execution of the agreement, the State agency shall issue a start-up payment to the sponsoring organization in an amount equal to not less than one, but not more than two, month's anticipated administrative reimbursement to the sponsoring organization as determined by the State agency. However, no sponsoring organization may receive start-up payments for more than 50 day care homes, and eligible sponsoring organizations with fewer than 50 homes under their jurisdiction at the time of application for start-up funds shall receive such payments for up to 50 homes, less the number of homes under their jurisdiction. In determining the amount of start-up payments to be made to a sponsoring organization, the State agency shall consider the anticipated level of start-up costs to be incurred by the sponsoring organization and alternate sources of funds available to the sponsoring organization.

(e) Upon expiration of the time allotted to the sponsoring organization for initiating or expanding Program operations in day care homes, the State agency shall obtain and

review documentation of by the sponsoring organization under the terms of the start-up agreement. If the sponsoring organization has not made every reasonable effort to carry out the activities specified in the agreement, the State agency shall demand repayment of all or part of the payment; however, the sponsoring organization may retain start-up payment for all day care homes which initiate Program operations. No sponsoring organization may retain any start-up payments in excess of its actual costs for the expenditures specified in the agreement.

§226.13 Food service payments to sponsoring organizations for day care homes.

(a) Payments shall be made only to sponsoring organizations operating under an agreement with the State agency for the meal types specified in the agreement served to enrolled nonresident children and eligible enrolled children of day care home providers, at approved day care homes.

(b) Each sponsoring organization shall report each month to the State agency the total number of meals, by type (breakfasts, lunches, suppers, and supplements), served to children enrolled in approved day care homes.

(c) Each sponsoring organization shall receive payment for meals served to children enrolled in approved day care homes at the rate of 72.75 cents for each breakfast, 131.25 cents for each lunch and supper, and 39 cents for each supplement. *(Please see the appendix for the current rates).*

§226.16 Sponsoring organization provisions.

(a) Each sponsoring organization shall comply with all provisions of §226.16.

(b) Each sponsoring organization shall submit to the State agency all information required for its approval and the approval of all child care and adult day care facilities under its jurisdiction, including:

(1) A sponsoring organization management plan, in accordance with §226.6 (f)(2).

(c) Each sponsoring organization shall accept final administrative and financial responsibility for food service operations in all child care and adult day care facilities under its jurisdiction.

(e) In addition to records required under §226.15(e), each sponsoring organization shall maintain the following:

(1) Information concerning the dates and amounts of disbursements to each child care or adult day care facility;

(i) Disbursements of advance payments may be withheld from child and adult day care facilities which fail to submit reports required by §226.15(e).

~ Chapter 4 Section B ~

Ohio Department of Education Policies and Guidance Sponsor payments and financial management responsibilities

Sponsors of the Child and Adult Care Food Program, family day care homes, may receive program payments in the form of administrative funds and operating funds to carry-out the program. These are two distinct types of payments, each with unique formulas for distribution to the sponsor. This section of the manual provides an explanation of these basic payments and an overview of sponsor financial management responsibilities.

1. **Program payments**
   Program payments include several different types of financial assistance paid to sponsors. They include start-up payments, advance payments, administrative payments, and reimbursement paid or payable to sponsors for operating costs (food reimbursement payments for providers).

2. **Operating payments (food reimbursement payments for providers)**
   Operating payment are the money which sponsors send to family day care providers as reimbursement for the cost of the children's meals. Each meal type (breakfast, lunch or supper, and snacks) has a federally established rate which is adjusted July 1 each year by federal authority. Sponsors are informed of the rate adjustments as soon as the state agency receives them. The rate paid for meals in the Child and Adult Care Food Program from July 1, 1994, through June 30, 1995, is:

Breakfast	$ .8275
Lunch or supper	$1.5050
Snacks	$ .4475

3. **Administrative payments and limits on administrative payments**
   Administrative payments are an entitlement allowed sponsors for recruiting providers and managing the required aspects of the program.

Sponsors are eligible to receive assistance with administrative costs based on the lesser of

a. The number of family day care providers claiming meals each month multiplied by the maximim monthly administrative reimbursement rates. These rates are adjusted annually by Congress. The maximum monthly administrative rates for July 1, 1994, through June 30, 1995, are

1 -50 homes	$69
51 - 200 homes	$53
201 - 1000 homes	$41
Each home over 1000	$36

b. Actual expenditures for the costs of administering the program

c. The amount of administrative costs approved by the state agency in the annual budget

In addition, administrative costs may not exceed 30% of the administrative and food service payments for daycare home operations. This figure is determined by multiplying the year-to-date value of meal payments to providers by .4286.

Each month ODE calculates a year-to-date total as part of the payment process. The actual administrative payment to sponsors is the lowest figure based on the information detailed above.

4. **Advance payments**

a. All sponsors may choose to receive advance administrative payments or a portion thereof. The state agency will issue the advance payment by the first day of each month the sponsor operates the program.

b. Sponsors may request advance payments with the program year application or anytime during the fiscal year. The amount of the advance may be revised during the fiscal year.

c. The first advance of a fiscal year may equal the sponsor's average monthly earnings during the six most recent months of operation, or the amount estimated by the state agency as allowable.

d. Advance payments may not exceed actual and valid administrative costs or allowed earnings. Each month, incoming claims will be compared against advances to ensure the advance does not exceed the valid reimbursements. If the advance is too high, the amount will be renegotiated by the state agency and the sponsor.

e. Advances may be withheld if the state agency has evidence of program deficiencies or other reasons to believe the sponsor cannot submit a valid claim for reimbursement. Withholding will continue until the situation is corrected.

f. State agency policy excludes advance payments for provider meal costs.

5. **Interest income**
Sponsors are permitted to deposit advance administrative payments in interest bearing accounts. An annual report detailing the interest earned and the planned use of the funds for the fiscal year must be sent with the claim for September. The sponsor must use these funds for allowable administrative costs.

Ohio policy requires sponsors to also include in this report interest earned on all operating funds deposited in interest bearing accounts prior to distribution to providers.

6. **Minimum sponsor financial management responsibilities**
The sponsor must establish a financial management system that will allow the sponsor to
a. Support all source documents

b. Record the receipt, deposit, and distribution of funds and contain information pertaining to reimbursement from federal funds, authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income

c. Submit a claim to ODE no later than 60 days after a claim month

d. Reimburse providers within 5 days of receipt of payment from ODE

e. Maintain accurate, current, and complete accounting records

f. Maintain effective control over, and accountability for all funds, property, and other program assets to assure they are safeguarded and used solely for authorized purposes

g. Compare actual outlays with budgeted amounts

h. Arrange independent audits to determine the fiscal integrity of financial transactions and reports and compliance with laws, regulations, and administrative requirements

i. Conduct systematic, timely, and appropriate resolutions of audit findings and recommendations

~ Chapter 4 Section C ~

Ohio Department of Education Policies and Guidance: Start-up and expansion payments

New sponsors with fewer than 50 active providers are eligible to receive start-up funds to assist in program administration and provider recruitment. Start-up payments are defined as financial assistance made available to a sponsoring organization for its administrative expenses associated with developing or expanding a food service program in day care homes and initiating successful program operations. Start-up payments are available only once to a sponsor.

Further assistance with expansion efforts into rural and low income areas through a one-time use of federal expansion funds may be obtained by sponsors who have already used start-up payments or who have more than 50 homes and are no longer eligible for start-up payments. Rural is defined as any area in a county which is not part of a Metropolitan Statistical Area, or any pocket within a Metropolitan Statistical Area which, at the option of the state agency and with Midwest Regional Office concurrence, is determined to be geographically isolated from urban areas. Low income areas are defined as any areas in which poor economic conditions exist. These are areas in which 50 percent of the children are eligible for free or reduced-price school meals as determined by information provided from departments of human services, zoning commissions, census tracts, by the numbers of free and reduced-price lunches or breakfasts served to children attending public and nonprofit private schools located in the area of program food service sites, or from other appropriate sources.

1. **Start-up payments for sponsors with fewer than 50 providers**
   a. **Sponsor requirements**
      - be a public or non-profit organization
      - have a history of successfully managing funds and on-going activities
      - have an acceptable and realistic plan for recruiting day care homes
      - have an acceptable preliminary management plan

   b. **Start-up funds available to sponsors**
      - one time start-up payment equal to not less than one, but not more than two, month's administrative reimbursement for not more than 50 homes.

- sponsors with fewer than 50 homes shall receive payment for up to 50 homes minus the number of currently active homes.
- sponsors may not retain start-up payments in excess of actual costs.

c. **State agency expectations of sponsors**

The following are expected of sponsors who receive start-up payments.

- expansion of day care home participation according to the approved plan within a reasonable period of time, usually six months, but not more than twelve months.
- repayment to ODE of start-up payments if a reasonable effort to carry out the activities was not made, if funds were not expended, or if funds were incorrectly expended. However, if good faith effort is made to recruit, and if the funds are correctly spent, the sponsor may keep all start-up payments regardless of the number of homes successfully recruited.

2. **Expansion funds for sponsors with more than 50 providers or those who have already used start-up payments.**

a. **Sponsor requirements**

- develop an acceptable and realistic plan for recruiting day care homes including specific activities the organization will undertake.
- provide detail of the amount of expansion funds needed and planned use.
- estimate the time needed for the project.
- document that the expansion area meets rural or low-income standards.

b. **Expansion funds available to sponsors**

- expansion payment equal to not less than one, but not more than two, month's administrative reimbursement for not more than 50 homes.
- sponsors may not retain expansion payments in excess of actual costs.

c. **State agency expectations of sponsors**

The following are expected of sponsors who receive expansion funds:

- expansion of day care home participation within the grant time frame (not to exceed 12 months).
- repayment of funds not expended or incorrectly expended. However, if good faith effort is made to recruit, and if the funds are correctly spent, the sponsor may keep all expansion payments regardless of the number of homes successfully recruited.

~ Chapter 4 Section D ~

Ohio Department of Education Policies and Guidance
Allowable administrative costs

This section of the manual highlights and paraphrases Office of Management and Budget circular A-122 (6-27-80) and FNS Instruction 796-2. The text, for the most part, follows the sequence of the discussion in A-122 with additional input from the FNS Instruction. For a complete discussion read all of A-122 and FNS Instruction 796-2. A third document, U.S. Department of Agriculture 7CFR, Part 3015, Uniform Federal Assistance Regulations, standardizes and supports the administration of USDA grants through circular A-122 (and A-102).

1. **Definition of allowable administrative costs**
   Allowable administrative costs are defined as costs incurred by an institution as necessary and reasonable for planning, organizing, and managing a food service under the program, and allowed by the state agency financial management instruction. In general allowed costs are divided into direct or indirect expenses used to administer the program.

2. **Determining an allowable administrative cost**
   a. The cost must be reasonable and necessary to perform program responsibilities. That is, it must not exceed what a prudent person would spend for a similar item or service under a similar situation and time frame. Reasonable costs are for ordinary and necessary items or services, and are required for generally accepted sound business practices. Reasonable costs meet all federal and state laws and regulations and terms and conditions of the award. When a conflict of interest might be questioned, reasonable costs would be negotiated with arms length bargaining procedures. Any significant deviation from established practices of the sponsor agency, which might unjustifiably increase program costs, would not be considered a reasonable and necessary administrative cost.

b. The cost must be applied consistently within the organization.

c. The cost must be based on generally accepted accounting principles.

d. The cost may not be used to meet the matching requirement or cost sharing of any other federally financed program in the current or prior years.

e. The cost must be adequately documented.

3. **Allocating costs**
A cost can be allocated to the family day care program if it will benefit the family day care program and is necessary to the over all operation of the sponsoring organization. The cost must be applied to the family day care program in the same way it is applied to other parts of the organization.

4. **Advance approval**
Whenever a sponsor expects to incur an unusual cost or one that requires prior approval, ODE shall be contacted for a written agreement in advance of incurring the expense to secure approval for the expense.

5. **Applicable credits**
When a sponsor receives a credit for a service or an item purchased with program funds, the value must be credited to the program as either a cost reduction or a cash refund. Examples of credits include donations of cash which are specified by the donor for program administration, local, state, or federal public funds, or rebates for purchases of supplies, capital equipment, or services.

6. **Direct costs**
Direct costs are those that can be assigned specifically to the family day care program, examples are salaries, travel, and training. Direct costs must be fully documented through the use of time and attendance sheets, mileage logs, purchase invoices, cancelled checks, and similar records. A cost cannot be considered as both a direct and an indirect cost.

7. **Indirect or prorated costs**
When a sponsor manages several programs or activities while also sponsoring day care homes, some of the costs for administering the programs may be shared. Costs such as occupancy, telephone services, use of duplicating systems, salaries for administrative personnel, accounting and other agency management, which cannot be specifically assigned to one program may be prorated on a consistent and rational basis. The sponsor must have a reasonable and equitable plan with supporting formulas and documentation for assigning a percentage of the total to family day care home administrative costs. The following charts suggest a variety of formulas to document indirect costs:

8 a. Allocating indirect costs and determining an indirect cost rate for in-house functions

A cost may not be claimed as direct if it is charged elsewhere as part of an indirect cost.

When a sponsor has many programs that benefit from the indirect costs to varying degrees, the indirect costs should be separated. A rate should be developed for each separate indirect cost by determining an equitable distribution base and then dividing the allowable indirect costs among programs.

The following are suggested bases for developing reasonable indirect cost rates for in-house functions. All indirect costs for in-house functions must be based on the sponsor's actual costs documented with time studies, actual useage charts, and salary information.

Indirect cost categories: In-house Functions	**Methods for allocating indirect costs**						
	Actual hours spent or time mgt study	Number of transactions or documents	System use	Number of FTE staff	Dollar value of payroll	Space Use	Miles driven times approved rate
Accounting fees	x		x				
Equipment over $500.00	x		x	x		x	
Insurance: liability/bonding	x		x	x			
Office machines: use/maintenance/purchase	x	x	x				
Office space: maintenance/utilities/insurance						x	
Office supplies/ equip under $500		x	x				
Payroll/data processing	x		x				
Personnel:employer share taxes	x			x	x		
Personnel: health/life	x			x	x		
Personnel:retirement/disability	x			x	x		
Personnel: salary	x						
Postage		x	x				
Printing/reproduction		x	x				
Training			x			x	
Travel/motor pool costs							x

8b. Allocating indirect costs and determining an indirect cost rate for personal service contracts

A cost may not be claimed as direct if it is charged elsewhere as part of an indirect cost.

When a sponsor has many programs that benefit from the indirect costs to varying degrees, the indirect costs should be separated. A rate should be developed for each separate indirect cost by determining an equitable distribution base and then dividing the allowable indirect costs among programs.

The following are suggested bases for developing reasonable indirect cost rates for personal service contracts. All indirect costs for personal service contracts must be based on the fair market value of the services, documented with cost comparisons and competetive bids when in excess of $10,000.

Indirect cost categories: Personal Service Contracts	**Methods for allocating indirect costs**						
	Actual hours spent or time mgt study	Number of transactions or documents	System use	Number of FTE staff	Dollar value of payroll	Space Use	Miles driven times approved rate
Accounting fees	x		x	x	x		
Advertising fees	x	x	x			x	
Audit fees	x	x	x		x		
Bonding fees				subj to bond			
Computer support	x		x				
Consulting fees	x		x				
Dues, subscr, memberships			x	x			
Equipment:maintenance/rental		x	x				
Legal fees	x	x	x				
Mail/messenger services	x	x	x				
Office maintenance	x		x			x	
Office space						fair mkt value	
Payroll/data processing	x	x	x	x	x		
Printing/reproduction	x	x	x				
Training costs	x	x	x	x		x	

9. **Typical allowable costs**

a. Accounting: establishing and maintaining accounting and other information systems required for program management (see item 11 in this section for accounting expenses that are not allowed).

b. Advertising: media services (newspapers, magazines, radio, television, direct mail, trade papers) to recruit personnel, procure goods and services, or for other purposes specifically approved by the state agency in response to written requests.

c. Audit services: audits necessary for the administration and management of the family day care program.

d. Bonding costs: premiums on bonds covering employees who handle program funds.

e. Capital expenditures and nonexpendable equipment: items costing $500 or more with a useful life of more than two years. Purchase of equipment or other capital expenditures requires prior approval by the state agency. Items with a cost of $10,000 or more require compliance with sealed invitation for bid procedures.

f. Central storage: maintaining and operating a central stores organization for food and nonfood supplies or records.

g. Communications: telephone, telegraph, postage, and messenger services.

h. Consultants and professional services: fees for services such as nutrition education, training, legal, and accounting assistance.

i. Compensation for administrative labor: reasonable salaries and benefits for administrative staff needed to support program activities. Payroll records are required to document costs. Distribution of salaries and wages of employees charged to more than one program must be supported by appropriate time studies and must document an equitable distribution of time and effort.

j. Depreciation of nonexpendable equipment: depreciation is the expense associated with physical deterioration and loss in value of equipment used in the program over a given period of time. It is based on acquisition costs or the reasonable cost of acquiring an item. Property that has a useful life expectancy of more than two years and which costs $500 or more per unit is considered nonexpendable equipment. Depreciation, or the loss in value of nonexpendable equipment, may be claimed as an allowable operating cost over a period of years, until the full purchase price

of the equipment is covered. The depreciation method must result in fair charges considering the use of the equipment and the benefits to the program. No depreciation may be allowed on any other federally funded equipment or on any assets or equipment considered fully depreciated, idle, obsolete, or donated.

k. Legal expenses: fees for legal assistance required in family day care program administration (see item 11 in this section for those legal expenses that are not allowed).

l. Maintenance and repair: necessary maintenance, repair, or upkeep of equipment and buildings.

m. Meetings and conferences: costs associated with CACFP related meetings and conferences, such as facility rental, speakers fees, meals, and educational materials.

n. Memberships, subscriptions, and professional activities: fees to civic, business, professional, and technical organizations, and periodicals that directly relate to the CACFP.

o. Mileage allowance: mileage is allowed for vehicles owned by an institution or one of the institution's employees when used for program administrative duties, such as visits to sites to monitor or to participate in training. A mileage allowance of not more than the state agency's prevailing rate or the sponsor's rate, whichever is less, may be charged to the program. The mileage allowance is considered the full cost for operating a vehicle including fuel, depreciation, insurance, and maintenance. It excludes the driver's salary.

p. Participant support costs: costs for supportive activities for providers - newsletters, training costs, program supplies directly related to the CACFP.

q. Payroll preparation: preparing and maintaining necessary related wage records when the expenditures are not already part of an indirect cost pool.

r. Personnel administration: recruitment, examination, classification, establishment of pay standards, training, and related activities are allowed when the expenditures are made for CACFP purposes.

s. Printing and reproduction: when the expenditures are made for program purposes.

t. Procurement services: soliciting bids, preparing and awarding contracts, and all phases of contract administration to obtain supplies, equipment, and services for the program.

u. Supplies: tangible items of property with a unit cost of less than $500. They may include consumable office supplies such as paper products, and items of equipment costing less than $500 per unit.

v. Taxes: taxes or payments in lieu of taxes, which the sponsor is legally required to pay.

w. Training: costs of training and administering a CACFP education program including demonstration supplies, texts, training materials, instructor fees, and facility costs.

x. Travel: out-of-state travel costs must be approved in writing by the state agency. Policies must conform to written requirements established by the local agency for its general operation or, without these policies, must conform to travel policies applied to the state agency. Approved costs include reasonable costs for transportation, lodging, food, and related items incurred by employees of the agency who are in approved travel status on CACFP business.

10. **Allowable costs with prior written approval of the state agency**

a. Automatic data processing: the cost of data processing services for the program. The cost may include equipment purchase, rental purchase agreements, lease, or depreciation. Acquisition of equipment by any method requires prior approval of the specific item.

b. Building space and related services: Use allowance
When office space is owned by the sponsor, the charge to family day care for space used must be based on a use allowance. In calculating the use allowance charge for family day care office space, the overall annual cost of operating the building is converted into a cost per square foot of space for the entire building. The portion of the annual cost charged to family day care is determined by multiplying the actual square footage of space used by family day care by the cost per square foot. The cost of utilities, insurance, security, grounds upkeep, repairs, alterations, property taxes, and the like are allowed as part of the square foot cost. When included in this calculation they may not be included in any other charges to the program. Costs of rearrangements and alterations of facilities required to operate the program or costs of work that materially increases the useful life of the facilities are allowed with specific prior authorization. Costs for periods of nonoccupancy must have prior authorization from ODE.
The following is an example of a use allowance charged to family day care for occupancy:

An agency owns a building and caculates the annual cost of comparable space, and of utilities, insurance, security, grounds upkeep, taxes, and repairs to be $25.00 per square foot.
Family day care uses 500 square feet of space x $25.00 = $12,500 per year use allowance for the CACFP office space. If another program also uses the 500 square feet of space for 25% of a day, the family day care portion is reduced by 25% or $3,125, leaving family day care with $9,375 as an annual occupancy cost.

c. Building space and related services: Rent/lease agreement
When the sponsor rents a facility, the family day care rental or lease cost is determined by prorating the total office space rent or lease fees by the amount of space and time occupied by family day care. These charges may include utilities, insurance, security, grounds upkeep and maintenance. Any charge included in this overall cost may not be charged separately to the program. For example, if maintenance is included in the overall cost, it may not appear again in the form of a monthly maintenance expense. Costs for periods of nonoccupancy must have prior authorization from ODE.
As an example, an agency rents or leases 500 square feet of office space from an outside source for $12,500 per year. The total cost of the rent is assigned to family day care if it is the only program housed in the space. If another program also uses the 500 square feet of space for, say, 25% of a day, the family day care portion would be reduced by 25% or $3,125, leaving family day care with $9,375 as an annual occupancy cost.

d. Insurance and indemnification:
- costs of insurance required or approved and maintained as a part of the program agreement are allowable.
- costs of other insurance for general program activities are allowed except type, extent, and costs must be in accordance with general state or local government policy and sound business practices.
- costs of insurance or of contributions to any reserve covering the risk, loss, or damage to federal government property are not allowed except if the Food and Nutrition Service has required or approved such costs.
- contributions to a reserve for self-insurance are allowed if the type of coverage, extent, and the rates and premiums would have been allowed had insurance been purchased through an outside insurer to cover the risks.

e. Management studies: the cost of local management studies to improve the effectiveness and efficiency of ongoing program activities.

f. Professional services: cost of professional services by individuals or organizations not a part of the local agency.

11. **Typical unallowable costs**

a. Accounting records: the cost of maintaining central accounting records for an agency with multiple programs to meet organization requirements for overall federal, state, or local government purposes is not allowed except as an indirect cost calculated by an approved rate.

b. Bad debt: any losses arising from uncollectible accounts and other claims, and related collection and legal costs are not allowed.

c. Contingencies: contributions to a contingency reserve or any similar provision for unforeseen events.

d. Contributions and donations: federal funds cannot be used as contributions or donations.

e. Entertainment: amusements, social activities, ceremonials, and incidental costs such as meals, beverages, lodging, rentals, transportation, and gratuities.

f. Fines and penalties: costs resulting from failure to comply with federal, state, and local laws and regulations.

g. Interest and other financial costs: interest paid or professional fees paid on loans, bond discounts, financing and refinancing operations, and legal and professional fees, except when authorized by federal legislation or except when approved by the state agency as part of rental cost of space are unallowable.

h. Legal expenses: prorating the cost of maintaining a legal staff which has general responsibilities is not allowed. Legal expenses for the prosecution of claims against the federal government or the grantee are also not allowed.

i. Legislative expenses: salaries and other expenses of the state legislature and similar local governmental bodies, whether incurred for purposes of legislation or executive direction.

j. Political or partisan costs: grant funds may not be used for partisan or political advocacy purposes. (OMB Memorandum M-82-4, April 26, 1982.)

k. Provider approval: costs associated with helping providers become approved for the CACFP or to obtain licensure or approval for child care.

~ Chapter 4 Section E ~

Ohio Department of Education Policies and Guidance Claim reimbursement

Sponsors must submit to the Ohio Department of Education a monthly claim for reimbursement for administrative and operating costs to receive the funds needed for program administration and provider meal costs. This section of the manual details the procedure to be followed so that sponsors receive timely payments.

1. **Set timelines for provider claim submission**
   Sponsors should establish due dates for receipt of menus and meal attendance records from providers. Since providers cannot count meals before serving them, sponsors must establish due dates that are after the end of the claim month. Records should not be submitted for payment until all meals have been served and counted by providers. The due date is usually in the first week of the new claim month. For example, the due date for January records might be February 5. Any records received after the due date would be processed late and involve late payment to the provider.

2. **Verify individual claims**
   The individual provider's claim must be validated as accurate. If the sponsor cannot validate the claim, if questions exist about child enrollments, numbers of meals claimed, income eligibility of own or residential children, or other similar issues, the sponsor may withhold from the provider all or part of the meal payment . Please contact the state agency for guidance.

3. **Verify provider claims and calculate administrative costs prior to claim submission**
   Monthly claims for operating and administrative costs should be submitted to the Ohio Department of Education as soon as menus and meal counts can be verified and administrative costs determined.

4. **Fill out the claim completely and accurately**
   Directions for completing the CACFP Claim for Reimbursement are on the back of the form. All information requested must be correct and complete for the claim to be processed. Common errors can be avoided by correctly entering the:

a. Sponsor IRN number
This is a payment identification number. It appears on the annual application approval form and on each month's pay warrant (check) the sponsor receives from the Ohio Department of Education.

b. Provider and meal count numbers

c. Total administrative costs

5. **Attach a summary of provider activity to each claim**
The purpose of the summary is to document the number of meals claimed and payments made to providers. The summary should identify
   a. Each provider by name
   b. The number of meals claimed by type
   c. The reimbursement claimed for each provider
   d. The total reimbursement for all providers

6. **Verify the claim payout to all providers**
Sponsors should verify the amount they expect to pay providers each claim month. Do this by first multiplying the current rate per meal by the number of meals reported on the face of the claim. Compare this figure with the sum obtained by adding individual provider payments listed on the summary of provider activity. If the two totals are different, both the CACFP Claim for Reimbursement and the summary of provider activity which accompanies it should be recalculated until the totals agree. Differences indicate mathematical errors.
Double checking all information and figures will help prevent delays in processing payments.

7. **Submit one or more claim(s) for reimbursement**
Sponsors must submit a monthly claim for reimbursement to the Ohio Department of Education to receive administrative and operating funds. The claim must include administrative and operating expenditures for one month only. Sponsors must send a supplemental claim(s) to revise meal counts or administrative costs for a previous month. These changes must appear on the month in which they occured

   a. **Regular claim for operating and administrative costs**
   This is the first claim for reimbursement submitted by a sponsor for a claim month. This claim should include only administrative and operating costs for this month. Please follow the directions on the back of the CACFP Claim for Reimbursement, form FDCH 005, when completing regular or supplemental claims.
   For prompt payment, the regular claim for operating and administrative costs should be sent to the state agency by the first or second week of the month following the claim month.

Sponsors are asked, whenever possible, to revise a claim no more than one time.

If several revisions are possible or anticipated, it is suggested that revisions for that month be collected and sent as one revised claim near the end of the 60 day deadline.

Please note: The sponsor does not receive a separate check for a revised claim. All revisions received by ODE before the next regular payment are calculated together as one and paid as part of the next check to the sponsor.

9. **60 day limit on claim submission - October through August**
Sponsors have 60 days to sumbit claims for reimbursement for October through August. In September, sponsors must submit a claim or a revised claim within 45 days after the end of the claim month.

Federal regulations allow payment for administrative and operating costs within 60 calendar days after the end of a claim month. Any claim from the sponsor postmarked beyond the 60 days will be denied payment. If a claim is submitted toward the end of this period, sponsors are advised to obtain proof of the mailing date from the mailing source so there is no question. The postal date stamped by the sponsor's postage machine is not accepted as proof of the mailing date.
Claims are often sent near the 60 day deadline when a revision of a previous claim is needed. Sending a first request for payment of operating or administrative costs 30-60 days after the end of a claim month is considered poor management on the part of the sponsor and unfair to a provider as s/he must wait two to three months to receive payment for meals.

10. **45 day limit on claim submission for September**
All claims and revised claims for September must be postmarked within 45 days after the end of September. This requirement is related to ODE closing functions at the end of the fiscal year.

11. **One-time exception to the 60 day limit**
A one-time exception to the 60 day limit on claim submission is allowed within a 36 month period. This exception allows sponsors payment for a processing timeline error once every three years. If a sponsor submits a late claim, the state agency will return the claim to the sponsor with information about how to obtain the exception.

Adjustments of prior months may be requred due to state agency or sponsor review findings or when errors are discovered for a variety of

reasons. Upward adjustments can be honored only when required by state, regional, or federal reviews or audits. Downward adjustments can be honored at any time.

12. **Keep copies of all records supporting each claim**
Sponsors must keep records supporting each month's claim for reimbursement for three past plus the current program year or until all findings are resolved. Filing administrative cost records, menus, and meal attendance forms by month makes it easier for the sponsor to assemble information for reviews and audits.

13. **Understand ODE claim processing procedures to facilitate timely payments**
The ODE fiscal department processes claims for reimbursement once in the middle of each week. This means if a claim is received after mid-week, it may not be processed until the middle of the following week. To facilitate prompt payment it is recommended that sponsors submit their claims within the first 12 days of a month.

14. **ODE timeline for administrative and operating cost payment to sponsors**
Federal regulations allow the state agency 45 days from receipt of a claim to process payment back to the sponsor. However, every effort is made to return payment within three to four weeks after a claim is received. Holidays, such as Christmas, New Year, and Thanksgiving may extend the period. Close-out of financial transactions at the end of the fiscal year may also delay payment. The state fiscal year ends June 30. Sending the claim for reimbursement to the state agency within the first ten days of June may help the sponsor avoid extended delays.

15. **Pay providers within 5 working days**
Sponsors must mail checks to providers within five working days after the sponsor receives reimbursement from the state agency. When possible, local checks should be printed while the state agency is processing the sponsor's claim to be ready to mail as soon the reimbursement check is received from the state agency. It is the responsibility of the sponsor to have a plan in place to make sure the five day requirement is met.

16. **Adjust overpayments and underpayments within the fiscal year**
Sponsor administrative and operating payments will be adjusted monthly to correct overpayments or underpayments. The state agency makes mid-year adjustments by adding to or subtracting from the sponsor 's next payment.

17. **Adjust overpayments and underpayments at the end of the fiscal year**
All administrative or operating cost revisions must be submitted within 60 days after the September 30 end of the fiscal year (November 29). If at this point it is determined that a sponsor has been overpaid or underpaid for operating or administrative costs, the amount is resolved by check. Overpayments are returned to the state agency by check made payable to the Ohio Department of Education, Division of Child Nutrition Services.

Ohio Department of Education Policies and Guidance Sponsor responsibility for collecting provider overclaims and suspension or waiver of overpayments by the state agency

Sponsors are responsible for complying with all provisions of §226.15. In addition, sponsors accept final administrative and financial responsibility for the food service operations in all day care homes and are required to provide adequate supervisory and operational personnel for the effective management and monitoring of the program. As discussed earlier in this chapter, sponsors are responsible for verifying provider meal attendance records and for submitting an accurate and valid monthly claim for reimbursement to the state agency for operating and administrative costs.

The state agency recognizes that even sponsors who comply with all program requirements occasionally will encounter a situation where a provider has overclaimed meals and the sponsor is unable to recover the overclaim. Federal regulations do not directly address sponsor financial liability and responsibility when provider overclaims are uncollectable. However, the state agency has the authority to waive or suspend repayment of the overclaim if the sponsor has made a diligent effort to collect the overclaim. Such action will be taken only when it is demonstrated the program is best served by not collecting payment for the overclaim. This part of the manual describes sponsor responsibilities for collecting the overclaim based on ODE interpretation of §226.6(k), 226.7(k), 226.10, and 226.25(e) of the federal regulations and FNS Instruction 494-3, Rev. 1.

1. **Demand letter**
   A demand letter is the official notification to a provider demanding payment for provider overclaims. It specifies the basis for the overpayment, the amount owed, and the date by which the payment is to be returned to the sponsor. If the letter is not delivered in person, it should be sent by certified mail with return receipt requested.

2. **Waiver and suspension**
   Waiver and suspension are the actions taken by an authorized state agency official within the restrictions of this guidance to suspend or waive a portion or all of an overpayment owed by the sponsor to the state agency on behalf of a provider.

3. **Diligent effort: Sponsor responsibilities for collecting the overpayment**
When a sponsor has determined a provider has been overpaid, it must follow the procedure outlined below in an attempt to recover the overpayment:

a. **Issue demand letters for repayment of an overclaim**
A total of three progressively stronger demand letters shall normally be sent by the sponsor to the provider at 30 day intervals. Fewer letters may be sent if the provider responds to the first or second demand letter with a commitment to repay the claim, if there is indication that further demand would be futile, or if an appeal has been filed. The issuance of demand letters is suspended during the appeal period pending the outcome. All letters should be sent by certified mail, return receipt requested. Sponsors must document the date the provider received and signed for the letters.

b. **The first demand letter**
This letter must be sent to the provider as soon as the sponsor determines the provider received an overpayment(s). The letter must notify the provider of
1) the amount deducted from the current claim to offset the overpayment(s)
2) the amount still due
3) opportunities for the provider to reimburse the overpayment by check, negotiating a satisfactory repayment schedule, or from future claims. (Repayment from future claims is an option only if the overpayment was not the result of deliberate misrepresentation on the part of the provider.)
4) the right of the provider to appeal, when appropriate.

c. **The second demand letter**
A second demand letter, reiterating the options and requirements of the first letter, is sent to the provider on the thirty-first day after sending the first demand letter if
1) the overclaim has not been paid or payment arranged as required in the first letter
2) nothing has been received in writing indicating the provider refuses to pay the overclaim
3) the provider has not filed an appeal within the 30 days after the first demand letter
4) the state agency has determined that further action should be pursued

d. **The third demand letter**
A third demand letter shall be sent to the provider on the thirty-first day after the mailing of the second letter if
1) the overclaim has not been paid or written arrangements made for repayment
2) nothing has been received in writing indicating the provider refuses to pay the overclaim
3) the state agency has determined that further action should be pursued

4. **Collection process**
The preferred method for collecting an overpayment from a provider is with a check for the total amount owed within 30 days after the first demand letter is sent to the provider. If the provider has not or refuses to pay the overpayment, a sponsor may consider the use of a collection agency or legal action to recover the overpayment.

5. **Sponsor reporting requirements**
Accurate records must be kept by the sponsor documenting reasons for the overpayment and the process taken to collect it. Certified mail receipts and copies of all letters should be maintained along with all other related correspondence.

6. **Sponsor repayment of provider overclaims to the state agency**
Overpayments collected from providers must be returned by the sponsor to the state agency. They may be repaid by check made payable to the Ohio Department of Education, Division of Child Nutrition Services. Sponsors may also repay the overclaim by reducing the meal counts from subsequent claims by subtracting the value of the overclaim. Either method shall include a letter of explanation to the state agency with
   a. The provider's name
   b. The amount due
   c. Reason for reclaiming the overpayment
   d. Month, year, number, and type of meals involved in the repayment

7. **ODE may suspend or waive repayment of an overclaim**
The decision to suspend or waive repayment of an overclaim is based on three conditions. Each condition must be addressed individually and fully documented in the sponsor's records. The conditions are:
   a. Verification that the sponsor was not primarily responsible for the problem. Documentation must show that improper action was not caused by sponsor negligence or impropriety, but resulted from a cause outside the agency's responsibility.

   b. Verification that the sponsor has initiated corrective action. The sponsor must demonstrate that specific action has been initiated to correct the problem and detail how the action will resolve the deficiency.

   c. Verification that the sponsor has made a diligent effort to collect the overpayment. Diligent effort is detailed in this chapter. It could result in none or only a portion of the overpayment being recovered.

The state agency will then review the claim and determine if collection is not cost effective or if the program would be harmed more by the collection and the claim should not be pursued. If such is the case the overpayment will be waived and the sponsor is not responsible for repayment.

~ *Chapter 5* ~

Child and Adult Care Food Program
Personnel management
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~ Chapter 5 Section A ~

Federal Regulations
Personnel management

§226.15 Institution provisions.

(c)Responsibility. Each institution shall accept final administrative and financial responsibility for Program operations. No institution may contract out for management of the Program.

(d) Staffing. Each institution shall provide adequate supervisory and operational personnel for management and monitoring of the Program.

§226.16 Sponsoring organizations provisions.

(a) Each sponsoring organization shall comply with all provisions of §226.15.

(b) Each sponsoring organization shall submit to the State agency all information required for its approval and the approval of all child care and adult day care facilities under its jurisdiction, including:

(1) A sponsoring organization management plan, in accordance with §226.6(f)(2);

(2) An application for participation, or renewal materials, for each child care and adult day care facility accompanied by all necessary supporting documentation; and

(3) Timely information concerning the eligibility status of child care and adult day care facilities (such as licensing/approval actions).

(c) Each sponsoring organization shall accept final administrative and financial responsibility for food service operations in all child care and adult day care facilities under its jurisdiction.

(d) Each sponsoring organization shall provide adequate supervisory and operational personnel for the effective management and monitoring of the program at all child care and adult day care facilities under its jurisdiction. At a minimum, such Program assistance shall include:

(1) Pre-approval visits to each child care and adult day care facility for which application is made to discuss Program benefits and verify that the proposed food service does not exceed the capability of the child care facility;

(2) Staff training for all child care and adult day care facilities in Program

duties and responsibilities prior to beginning Program operations;

(3) Additional training sessions, to be provided not less frequently than annually; and

(4) Reviews of food service operations to assess compliance with meal pattern, recordkeeping, and other Program requirements. Such reviews shall be made not less frequently than:

(ii) Three times each year at each day care home, provided at least one review is made during each day care home's first four weeks of Program operations and not more than six months elapse between reviews. However, based on case-by-case findings by the State agency that improved efficiency and more effective management will result and subject to FNSRO approval, State agencies may allow some or all of their sponsors to conduct reviews an average of three times each year per day care home, provided that each day care home is reviewed at least twice each year, at least one review is made during each day care home's first four weeks of Program operations, and no more than six months elapse between reviews.

(e) In addition to records required under §226.15(e), each sponsoring organization shall maintain the following:

(1) Information concerningthe dates and amounts of disbursements to each child care or adult day care facility;

(2) Information concerning the location and dates of each child care or adult day care facility review, any problems noted, and the corrective action prescribed and effected.

~ Chapter 5 Section B ~

Ohio Department of Education Policies and Guidance
Determining staffing needs

There is no one best formula for sponsor staffing of the Child and Adult Care Food Program. Specific staffing patterns for the CACFP will vary with the sponsor's family day care program size, the agency's size and diversity, and the variety of ancillary services the sponsor chooses to offer. The parent agency must be willing to supplement program costs until enough homes are approved and participating for the program to be self-sustaining.

1. **Minimum staffing requirements**
   Sponsors must have adequate staff to perform all functions described in §226.16 and §228.18 of the federal regulations. In general, there must be staff to
   a. Recruit new providers
   b. Support providers in their work
   c. Monitor the meal service aspect of the family day care home
   d. Conduct the required home visits
   e. Follow-up with parents to verify attendance when necessary
   f. Follow-up with the department of human services and with other agencies responsible for home inspections
   g. Review enrollment forms, income eligibility forms, alternate approval inspections, and certification and licensing documentation for accuracy and approval
   h. Review all menus and attendance records every month
   i. Submit a timely claim to the Ohio Department of Education for reimbursement of approved family day care meals each month
   j. Prepare and distribute checks to providers only after being assured the information is accurate
   k. Maintain an effective financial management and accounting system:
      • prepare and maintain an approved budget

- retain copies of all claim documentation and revisions
- document all expenses and income according to generally recognized accounting principles
- document all program personnel costs with time records
- maintain travel and mileage records
- maintain a file of voided checks
- retain a copy of the latest audit or state agency review and all responses
- enter into appropriate contracts for personnel, equipment, or professional services

l. Arrange for appropriate staff and provider training

m. Maintain program files and records. Sponsors must maintain program records for a period of three years in addition to the current program year or until any unresolved audit questions are answered. Some of the required records include
- annual program application and agreement
- provider applications, licenses, certificates, and inspections
- income eligibility applications
- child enrollment forms
- meal attendance records and menus
- documentation of provider and staff training attendance
- documentation of technical assistance to providers
- documentation of home visits to providers
- contracts for services
- rent and lease agreements
- grants related to the Child and Adult Care Food Program
- correspondence from the Ohio Department of Education
- record of bank deposits of CACFP funds and distribution of funds to providers
- voided checks for administrative expenditures
- voided provider payment checks

2. **Typical positions in the CACFP family day care program**
Staffing the CACFP can include 2-3 individuals working part-time at a small sponsorship or 25 or more individuals working full-time at a larger agency. These positions are typical. General qualifications and responsibilities follow:
a. Program Administrator/Director
b. Program Coordinator/Assistant
c. Home Visitor
d. Claim/Menu Reviewer
e. Secretary/Receptionist
f. Fiscal/Accounting/Bookkeeper
g. Specialized staff: Nutritionist/ Trainer, Recruiter

Position	General Qualifications	General Responsibilities
a. Program Administrator/ Director	1. Specialized training in dietetics, nutrition, home economics, social work, public administration, or an allied field suggested. Significant experience in a related area may be substituted for a degree. 2. Experience in program management, staff supervision, and some area of human services required. 3. Ability to communicate with persons of diverse backgrounds and in a variety of situations required. 4. Commitment to quality child care and improved nutrition for all children required.	1. Provide overall management including proposal writing, staff recruitment, training and supervision, fiscal over-site, program accountability, and provider training. 2. Carryout appropriate federal, state, and local program guidelines and regulations in managing the program. 3. Communicate effectively with agency board and other programs. 4. With staff develop a management plan for the CACFP 5. With staff develop training programs for staff and providers. 6. Develop cooperative working relationships with others involved in child care. 7. Foster positive relationships with family day care providers. 8. Develop programs to increase provider professionalism and improve the quality of family day care for children. 9. Maintain positive relationships with the Department of Education.

Position	General Qualifications	General Responsibilities
b. Program Coordinator/ Assistant	1. Specialized training in dietetics, nutrition, home economics, social work, public administration, or an allied field suggested. Experience in a related area may be substituted for a degree. 2. Experience in child care, nutrition education, social work, or program administration. 3. Ability to communicate effectively with a variety of persons and in a variety of situations. 4. Ability to work independently, organize time, prioritize responsibilities, and accurately complete multiple tasks.	1. Supervise home visitors and/or office staff. Assist in hiring, training, evaluating, supporting, and when necessary, terminating staff. 2. With staff, develop specific methods and systems to monitor the family day care program. 3. Regularly visit providers with staff to identify potential problems or areas that need to be strengthened. 4. Oversee menu and claim review, provider application, child enrollment, and income eligibility documentation. 5. Assist in developing and implementing staff training. 6. Assist in developing and implementing family day care provider training. 7. Develop and maintain positive relationships with the county department of human services and others involved in child care issues. 8. Develop and maintain positive relationships with family day care providers.

Position	General Qualifications	General Responsibilities
c. Home Visitor	1.Specialized training in home economics, child development, food service, social work, or an allied field desirable. Experience in a related area may be substituted for a degree. 2. Experience in child care, nutrition, social work, or a related area. 3. Ability to communicate effectively with a variety of persons and in a variety of situations. 4. Ability to work independently, organize time, prioritize responsibilities, and accurately complete multiple tasks.	1. Recruit, enroll, and train providers in the Child and Adult Care Food Program. 2. Maintain an active caseload of family day care providers. 3. Schedule, carryout, and document required home visits and appropriate follow-up visits with family day care providers. 4. Maintain positive relationships with others involved in child care in the local community. 5. Foster professionalism and quality in family day care. 6. In cooperation with others, plan and implement appropriate training for family day care providers. 7. Participate in appropriate training.
d. Claim/Menu Reviewer	1. Experience in office work . 2. Ability to work with the sponsor's specific computer hardware and software and with a calculator or adding machine. 3. Ability to learn the basic guidelines of the CACFP. 4. Ability to work accurately and efficiently. 5. Ability to communicate effectively with persons of diverse backgrounds.	1. Review provider menus for compliance with CACFP and ODE rules and initiate any required follow-up. 2. Review provider attendance records for compliance with CACFP and ODE rules and initiate any required follow-up. 3. Crosscheck attendance records with enrollment forms, income eligibility records, and home visit reports to assure compliance. 4. Provide claim information to bookkeeper/fiscal for check processing. 5. Help keep providers and home visitors informed about due dates for inspections and home visits. 6. Help maintain up-to-date filing system for program records and reports.

Position	General Qualifications	General Responsibilities
e. Secretary/ Receptionist	1. Successful experience in general office procedures. 2. Ability to use specific sponsor computer hardware and software for word processing. 3. Ability to learn new processes and procedures and follow through with assignments. 4. Ability to communicate effectively in writing, on the phone, and in person with a variety of individuals. 5. Ability to work independently, organize time, and accurately complete multiple tasks required.	1. Answer phones, route all calls, and take messages. 2. Effectively answer basic program questions and direct callers to appropriate resources. 3. Accurately type all program correspondence, reports, educational materials, and proposals. 4. Maintain up-to-date filing system for provider records and other program records, as required. 5. Purchase needed office supplies. 6. Maintain a program inventory of supplies and capital equipment. 7. Participate in appropriate training.
g. Accounting/Fiscal/ Bookkeeper	1. Specialized training in accounting or related area suggested. Significant experience as a bookkeeper may be substituted for a degree. 2. Experience as a bookkeeper with direct responsibility for developing and maintaining an accounting system. 3. Ability to learn the fiscal requirements of the CACFP.	1. Develop and maintain an accounting system based on generally accepted accounting principles that meets USDA and ODE requirements. 2. With the director develop an annual program budget and make recommendations for modifications as necessary. 3. Prepare accurate and timely monthly statements of program income and expenditures for the director and for the Ohio Department of Education. 4. Deposit administrative and provider reimbursement funds into appropriate checking and/or savings accounts. 5. Process all payroll, provider, and vendor checks. 6. Maintain appropriate documentation for payroll, employee, and program expenses. 7. Reconcile all bank records including provider payment, payroll, program expenses. 8. Prepare for and assist with independent audits and state agency reviews.

Position	General Qualifications	General Responsibilities
h. Specialized Staff Positions **Staff may be hired for specific tasks such as provider recruitment and training. Focusing the efforts of some staff on specific functions such as recruitment or training can help refine and optimize program activities.**		
Nutritionist/Trainer	1. Specialized training in home economics, dietetics, education, or a related field suggested. Extensive experience as a trainer/educator may be substituted for a degree. 2. Experience in child care or in the CACFP desirable. 3. Ability to communicate effectively on a variety of levels. 4. Ability to work independently and to simply and creatively convey a message.	1. Assess the training and education needs of providers and program staff. 2. Develop and conduct training programs that meet staff and provider needs and result in improved nutrition for the children and greater program compliance with CACFP rules. 3. Develop or use existing appropriate educational materials to communicate nutrition information.
Recruiter	1. Specialized training in home economics, child development, food service, social work, or an allied field desirable. Experience in a related area may be substituted for a degree. 2. Experience in child care, nutrition, social work, or a related area. 3. Ability to communicate effectively with a variety of persons in a variety of situations. 4. Ability to work independently, organize time, prioritize responsibilities, and accurately complete multiple tasks.	1. Recruit providers in the Child and Adult Care Food Program. 2. Maintain positive relationships with others involved in child care in the local community. 3. Foster professionalism and quality in family day care. 4. Participate in appropriate training.

3. **Full-time equivalent family day care employee(s)**
Many family day care programs hire staff that split time between several programs. The person may work full-time within the agency but only part-time for the family day care program. The full-time equivalent for a position in family day care is the specific portion of time that a person spends in family day care work relative to an eight hour work day.

To calculate the full-time equivalent for a person working in family day care, the hours the person works in family day care per month or year are divided by the total work hours available for that month or year.

An example of a person working two hours a day for a month would be calculated like this:
21 potential work days x 8 hours = 168 hours
Family day care hours worked = 21 days x 2 hours = 42 hours
Divide hours of family day care work (42) by the potential hours (168) = .25 full time equivalent family day care work in this month.

An example of a person working two hours a day for a year would be calculated like this:
260 potential work days x 8 hours = 2080 potential work hours per year
Family day care hours worked = 260 days x 2 hours = 520 hours
Divide the hours of family day care work (520) by the potential hours (2080) = .25 full time equivalent family day care work in this year for this position.

To determine the total full-time equivalent family day care employees for an organization simply add up the full-time equivalent family day care positions for each staff for a given period of time.

4. **Staffing patterns based on number of homes in a sponsorship**
Sponsors often ask what a reasonable caseload should be for a home visitor. As a rule of thumb, 90-110 homes would be a full-time caseload for a home visitor in a metropolitan area, and 70-90 homes would be a full-time caseload in a rural area. Actual numbers depend on total responsibilities assigned to the position, distances traveled, and other considerations such as the difficulty of the home visits and the follow-up required. Some agencies assign a smaller caseload to one staff person who serves as a trouble shooter and problem solver.

The ODE annually compares sponsor staffing patterns for consistency and contrast. On the next page are typical staffing patterns for sponsors with varying caseloads. There are many methods of staffing and these are offered only as guidance in analyzing staff needs.

Typical Staffing Patterns for the Family Day Care Program

The whole and partial numbers in the chart below represent full-time staff equivalencies.
An "x" appearing under a job title indicates one or more full-time or part-time staff.
An "x" appearing between two job titles indicates the positions could be combined as one while the organization is small.

Number of homes	Prog. Admn./ Direct.		Prog. Coord./ Assist.	Home Visitor		Claim/ Menu Reviewer	Secy/ Recept.		Fiscal/ Acct.	Spec. Staff	Total FTE
1 - 50		x			x			x			.5-2
51 - 100		1			1.5		x	x	x		2.5-3.5
101 - 200		1		1-2		x	x		x		4-6
201 - 500	1		1	2-4		x	x		x	x	6-9
501 - 1000	1		1	5-9		x	x		x	x	10-14
1001 - 2000	1		1	10-24		x	x		x	x	14-35
2001 +	1		1	25+		x	x		x	x	36+

5. **Specialized staff positions**
Staff may be hired for specific functions such as provider recruitment and training. Specialized staff can devote full effort to these well-defined tasks which can help to refine and optimize program efforts.

6. **Administrative break-even point**
The administrative break-even point occurs when administrative costs are covered by administrative reimbursement from USDA. Since administrative reimbursement is determined by the number of providers recruited and claiming meals each month, it can be difficult for a sponsor to plan a budget each year. While the amount of funds available for administration are never known with certainty, past experiences usually help sponsors predict program administrative income. For new sponsors the task is more difficult. Each time a commitment is made to hire new staff there can be an understandable concern about the sponsor's ability to continue to support that person should the number of providers claiming decrease. In general, there should be a potential of 35-50 providers before an agency considers sponsoring the CACFP. The sponsor can then add staff as the program grows.

~ Chapter 5 Section C~

Ohio Department of Education Policies and Guidance
Staff recruitment

Many sponsors feel some of their best staff have been family day care providers. Advertising the position so family day care providers are aware of the opportunity can yield excellent staff for the program. The following steps should be taken in recruiting new staff:

1. **Follow the EEO policy**
   The sponsor's Equal Employment Opportunity policy should provide guidance in recruiting staff. If your agency does not have such a policy, it may be desirable to seek assistance from a legal source.

2. **Modify the position description if necessary**
   Review the current position description and make modifications if necessary. Be sure all tasks routinely performed are included in the position description. Also include:
   - hours of work expected each week
   - the title of the person who will provide direct supervision
   - the titles of those the person will supervise, if appropriate
   - a statement that reads "and any other duties as may be assigned by the supervisor." This protects the agency when tasks change or are modified.

3. **Advertise the position**
   The ad can include the position title, duties, geographic area, if appropriate, education or experience requirements, whom to contact and how, and date the application must be submitted.

   Most agencies have a policy to post positions internally for their own staff prior to outside advertising. This step can take a week or more.

   To recruit outside applicants send the ad to local newspapers, United Way or other job referral agencies, the bureau of employment services and any local provider publications. The ad should be published for a reasonable length of time.

4. **Review applications and resumes**
   Be sure to establish criteria that fairly and consistently reviews each application. Education, experience in

areas directly related to the work, length of employment are all relevant and should be evaluated. Sponsors may consider some of these criteria more important than others and may weight their analysis of them.

5. **Interview the best candidates**
   a. Be sure the interview process is fair and consistent.

   b. Have the same person(s) participate in each interview.

   c. Always provide a thorough overview of the position, the agency and the program.

   d. Establish standard questions that will be asked of each individual. Ask the person to describe his or her work and educational experiences. What were some of the greatest challenges the candidate has encountered and what was the response? What was enjoyed most and least about various experiences? Ask questions that require processing information and well-thought answers. Yes and no answers don't tell much. Creating situations that the person might encounter on the job and then asking for a response can be helpful.

   e. Give the person information to take home to read.

   f. Document the interview with notes taken either during or after the interview.

6. **Check references**
   Even when the applicant appears to be the best person for the job, references should always be checked. It may help prevent surprises later.

   When asking questions of a former employer, try to determine whether the person believes the potential employee will be able to perform the work you have. Some questions might include, "Could the person work independently, do a variety of tasks, or communicate on many levels?" "Were there any problems with attendance or honesty?" "Was the person a team player?" "Would the employer hire the person again?" "What were the candidate's greatest strengths and what were areas that needed improvement?"

7. **Follow up**
   Follow up with a letter to each person not chosen and with a formal letter of hire to the person chosen. The letter of hire should include position title, the supervisor's name, salary, date of hire, information about any probationary period, and personnel policies.

8. **Working with volunteer staff**
   Using volunteers to help staff the CACFP can provide budget relief and creative input if done carefully. Volunteer recruitment, training and support is an art and science. Some ideas for working with volunteers follow:

a. **Volunteer recruitment**
   - organizations that might have volunteers available include: senior centers, AARP, and other groups that involve older adults, students from local high schools, vocational schools, colleges and junior colleges, girl scouts, boy scouts, 4H groups, campfire girls, women's and men's service clubs, sororities/fraternities, and church groups.
   - let the organization know the specific type of work to be done, the estimated time required and the urgency of the work.

b. **Volunteer training and support**
   Volunteers must be trained and supported at least as well as other paid staff. It is easy to overlook this aspect of volunteer "employment". However, when volunteers are not adequately trained and rewarded they tend to disappear. Support and encouragement are the volunteer's paycheck.
   - introduce volunteers to all pertinent personnel to help them feel a part of the organization.
   - develop a training program similar to the training developed for paid staff to help volunteers feel welcome and a part of the organization.
   - reward volunteers frequently with ribbons, buttons, their name in print, invitations to lunch with special staff, invitations to recognition programs for tasks completed, hours worked or special efforts made.

9. **Staff funded with federally supported work program dollars**
   Excellent short term staff can be available through federally supported work training programs. As with volunteers, they can help provide budget relief and support for the program on a variety of levels. Later, they can be hired as CACFP paid staff if funds are available and the need still exists. As with paid staff and volunteers, these staff need to be trained in the task they will perform and supported and recognized for quality work.

   The county department of human services, community action agency, employment office, or private industry council can provide information about the availability of federally funded work programs.

10. **Providers functioning as monitors**
    A conflict of interest may be created when a provider is employed to perform administrative activities for the same sponsor. The provider may continue to receive meal benefits by transferring participation to another sponsoring agency.

~ Chapter 5 Section D ~

Ohio Department of Education Policies and Guidance: Staff training

Staff training should be an on-going process in the Child and Adult Care Food Program. New staff members have very different needs from more experienced staff.

1. **Training new staff**
   a. Provide agency policies to read and understand.

   b. Provide program and Ohio Department of Education policies to read and understand.

   c. Arrange for the new person to meet and visit with others within the organization. It is important for the agency to function as a whole, not just as a group of isolated programs.

   d. Arrange for the new person to spend time with others who are doing or have done the same work. If this is not possible, arrange for the new person to observe the same position in another sponsor's agency. If this is tried, be sure the agency's policies are similar or be able to address the differences.

   e) Allow at least 1-3 weeks of training before expecting the person to function independently. Then continue to provide support and assistance. For a home visitor, a supervisor might be invited to attend the first home visit and be very accessible. Another home visitor may be chosen to mentor the new staff and assist with questions and problems.

   f. Arrange follow up training with experienced staff after 2-4 months of independent work.

   g. Provide frequent feed-back to new staff about their work. Some agencies have an informal discussion that is documented in the personnel file after 3 months, a formal written evaluation after 6 months, and annually thereafter. Brief notes sent or phone calls made to reinforce good work are encouraged.

2. **Basic competencies**
   Sponsors must be certain new staff are competent in the following areas:
   a. CACFP guidelines and policies
   b. Agency guidelines and policies
   c. Correct use of CACFP forms
   d. Claim, training, and home visit deadlines
   e. CACFP nutrition guidelines
   f. Indicators of child abuse and neglect

3. **Training experienced staff**
   Training for experienced staff should include time for discussion and sharing experiences as these people are usually knowledgeable and have much to share. The following topics are appropriate:
   a. Basic health and nutrition
   b. Food safety and sanitation
   c. Child growth and development as it relates to nutrition
   d. Signs of child abuse and neglect and reporting requirements
   e. Business aspects of family day care
   f. Stress management
   g. Handling difficult situations

~ Chapter 5 Section E~

Ohio Department of Education Policies and Guidance
Sample pay scales and allowed personnel costs

Each year ODE compiles a summary of salaries paid by sponsors to staff in the CACFP family day care program. The latest summary of salary ranges for the typical positions is included in the appendix to this section. This information is to be used only as a guideline, ODE does not establish salary schedules, but monitors them to assure they are reasonable.

1. **Allowed personnel costs**
   Reasonable salaries and costs for recruiting new staff such as ads, mileage reimbursement, and meals while in travel status or attending training are considered allowable administrative expenditures.

2. **Disallowed personnel costs**
   Bonuses to staff or others and gifts are not allowable personnel costs for the CACFP.

FY' 93 Sample pay scales

Salary information for this chart was taken from sponsor applications for the 1993 fiscal year. Information is provided as average salaries and median salaries.

The average salary was determined by adding all salaries for a particular position and then dividing that sum by the number of salaries that were added together.

The median salary is the salary mid-point: half the salaries are above and half are below this mid-point.

Please note: The information provided on this chart includes only base salaries for the positions identified. Benefits were not included in any analysis.

	*Program Admn/ Director	Program Coord/ Assistant	Home Visitor	Secy/ Recept	Fiscal/ Acc't
Average	$14.00	$11.00	$ 8.00	$8.00	$10.50
Median	$12.78	$10.08	$ 8.60	$8.11	$10.00
Low	$ 9.31	$ 6.40	$ 5.45	$6.00	$ 5.82
High	$21.32	$19.30	$16.00	$9.83	$15.83

* Only the CACFP director/administrator was included in this analysis. Salaries are not included for executive directors who have responsibility for several programs.

~ Chapter 5 Section F ~

Ohio Department of Education Policies and Guidance
Staff evaluation

All staff deserve the benefit of frequent, constructive feedback and positive reinforcement of their work. This is one of the most difficult tasks for many supervisors and the most frequently delayed supervisory responsibility, however, sponsors that regularly review performance find staff function more effectively.

1. **Schedule regular evaluations**
   The schedule of evaluations should be communicated to the employee when hired. Formal evaluations which are reported in personnel files should be planned experiences. Most agencies have a probationary period for new employees and then formally evaluate new staff after 3-6 months. Many agencies continue with semi-annual evaluations. Others only evaluate once each year. In addition, there should be frequent opportunity for informal evaluation and feedback.

2. **Evaluate objective and subjective aspects of the job**
   The evaluation should be based on the position description and measurable job duties as well as more subjective aspects. For a home visitor, there can be an expectation of maintaining an assigned caseload, having all home visits up-to-date, completing all paperwork in a timely manner, and arranging for a specific number of training sessions. All these criteria are easily quantified. More subjective criteria may also be evaluated. Ability to cooperate with other agencies and staff, planning effective and creative training, assisting providers in their work with the children, are more difficult to measure but important aspects of the job. A scale can be developed to measure these areas and provide a framework for comparison from one evaluation to another.

3. **Enlist staff input**
   Staff should be asked to evaluate their own performance prior to the formal evaluation with the supervisor. This will lead to discussion and encourage feedback from the staff. The staff can also provide feedback on program or agency changes that might be helpful, or special conditions that could help the person to be more effective.

4. **Arrange uninterrupted time for the evaluation**
   Quiet, uninterrupted time should be set aside for the formal discussion. Allowing interruptions is rude and sends a message that the person is not valued.

~Chapter 6~

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~ Chapter 6 Section A ~

Federal Regulations
Child and Adult Care Food Program participation

§226.6 State agency administrative responsibilities

(b) Application approval. Each State agency shall establish an application procedure to determine the eligibility under this part of applicant institutions, and facilities for which applications are submitted by sponsoring organizations. State agencies, by written consent of the State agency and the institutions, shall renew agreements with institutions not less frequently than annually. A State agency may not execute an agreement to be effective during two fiscal years but may nevertheless establish an ongoing renewal process for the purpose of reviewing and approving applications from participating institutions throughout the fiscal year. As a minimum, such application approval process shall include:

(7) Submission of documentation that all child care centers, adult day care centers, outside-school-hours care centers, and day care homes for which application is made are in compliance with Program licensing\approval provisions.

(d) Licensing/approval for child care centers, outside-school-hours care centers and day care homes. This section prescribes State agency responsibilities to ensure that child care centers and day care homes meet the licensing/approval criteria set forth in this part. Sponsoring organizations shall submit to the State agency documentation that facilities under their jurisdiction are in compliance with licensing/approval requirements.

(1) General. Each State agency shall establish procedures to annually review information submitted by institutions to ensure that all participating child care centers, day care homes, and outside-school-hours care centers either

(i) Are licensed or approved by Federal, State, or local authorities, provided that institutions which are approved for Federal programs on the basis of State or local licensing shall not be eligible for the Child and Adult Care Food Program if their licenses lapse or are terminated;

(ii) Are complying with applicable procedures to renew licensing or approval in situations where the State agency has no information that licensing or approval will be denied; or

(iii) Receive Title XX funds for providing child care, if licensing or approval is not available; or

(iv) Demonstrate compliance with applicable State or local child care stan-

dards to the State agency, if licensing is not available and Title XX funds are not received; or

(v) Demonstrate compliance with CACFP child care standards to the State agency, if licensing or approval is not available and Title XX funds are not received.

(2) CACFP child care standards. (i) When licensing or approval is not available, independent child care centers, and sponsoring organizations on behalf of their child care centers or day care homes, may elect to demonstrate compliance, annually, with the following CACFP child care standards or others standards specified in paragraph (d)(3) of this section:

(A) Staff/child ratios. *ODE follows Ohio Revised Code for Foster Care and Type A Family Day Care Homes and Type B Certification Rules for Family Day Care Homes in regard to staff/child ratios.*

(B) Nondiscrimination. Day care services are available without discrimination on the basis of race, color, national origin, sex, age, or handicap.

(C) Safety and sanitation. (1) A current health/sanitation permit or satisfactory report of an inspection conducted by local authorities within the past 12 months shall be submitted. (2) A current fire/building safety permit or satisfactory report of an inspection conducted by local authorities within the past 12 months shall be submitted. (3) Fire drills are held in accordance with local fire/building safety requirements.

(D) Suitability of facilities. (1) Ventilation, temperature, and lighting are adequate for children's safety and comfort. (2) Floors and walls are cleaned and maintained in a condition safe for children. (3) Space and equipment including rest arrangements for preschool age children, are adequate for the number and age range of participating children.

(E) Social services. Independent centers, and sponsoring organizations in coordination with their facilities, have procedures for referring families of children in care to appropriate local health and social service agencies.

(F) Health services. (1) Each child is observed daily for indications of difficulties in social adjustment, illness, neglect, and abuse, and appropriate action is initiated. (2) A procedure is established to ensure prompt notification of the parent or guardian in the event of a child's illness or injury, and to ensure prompt medical treatment in case of emergency. (5) First aid supplies are available. (6) Staff members undergo initial and periodic health assessments.

(G) The institution provides for orientation and ongoing training in child care for all caregivers.

(H) Parental involvement. Parents are afforded the opportunity to observe their children in day care.

(I) Self-evaluation. The institution has established a procedure for periodic self-evaluation on the basis of CACFP child care standards.

(3) Alternate approval procedures. Each State agency shall establish procedures to review information submitted by institutions for centers or homes for which licensing or approval is not available in order to establish eligibility for the Program. Licensing or approval is not available when (i) no Federal, State, or local licensing/approval

standards have been established for child care centers, outside-school-hours care centers, or day care homes; or (ii) no mechanism exists to determine compliance with licensing/approval standards. In these situations, independent centers, and sponsoring organizations on behalf of their facilities, may choose to demonstrate compliance with either CACFP child care standards, applicable State child care standards, or applicable local child care standards. State agencies shall provide information about applicable State child care standards and CACFP child care standards to institutions, but may require institutions electing to demonstrate compliance with applicable local child care standards to identify and submit these standards. The State agency may permit independent centers, and sponsoring organizations on behalf of their facilities, to submit self-certification forms, and may grant approval without first conducting a compliance review at the center or facility. But the State agency shall require submission of health/sanitation and fire/safety permits or certificates for all independent centers and facilities seeking alternate child care standards approval. Compliance with applicable child care standards are subject to review in accordance with §226.7(n).

§226.13 Food service payments to sponsoring organizations for day care homes.

(a) Payments shall be made only to sponsoring organizations operating under an agreement with the State agency for the meal types specified in the agreement served to enrolled nonresident children and eligible enrolled children of day care home providers, at approved day care homes.

(b) Each sponsoring organization shall report each month to the State agency the total number of meals, by type (breakfasts, lunches, suppers, and supplements), served to children enrolled in approved day care homes.

(c) Each sponsoring organization shall receive payment for meals served to children enrolled in approved day care homes at the rate of 72.75 cents for each breakfast, 131.25 cents for each lunch and supper, and 39 cents for each supplement. *(Please see the appendix for the current reimbursement rate.)* However, the rate for the lunches and suppers shall be reduced by the value of commodities established under §226.5(b) for all sponsoring organizations for day care homes which have elected to receive commodities. The full amount of food service payments shall be disbursed to each day care home on the basis of the number of meals, by type, served to children. However, the sponsoring organization may withhold from Program payments to each home an amount equal to costs incurred for the provision of Program foodstuffs or meals by the sponsoring organization in behalf of the home and with the home provider's written consent.

§226.18 Day care home provisions.

(a) Day care homes shall have current Federal, State or local licensing or approval to provide day care services to children. Day care homes which are complying with applicable procedures to renew licensing or approval may participate in the program during the renewal process, unless the State agency has information which indicates that renewal will be denied. If licensing or approval is not available, a day care home may participate in the Program if:

(1) It receives Title XX funds for providing child care; or

(2) It demonstrates compliance with CACFP child care standards or applicable State or local child care standards to the State agency.

(b) Day care homes participating in the program shall operate under the auspices of a public or private nonprofit sponsoring organization. Sponsoring organizations shall enter into a written agreement with each sponsored day care home which specifies the rights and responsibilities of both parties. This agreement shall be developed by the State agency, unless the State agency elects, at the request of the sponsor, to approve an agreement developed by the sponsor. At a minimum, the agreement shall embody;

(1) The right of the sponsoring organization, the State agency, and the Department to visit the day care home and review its meal service and records during its hours of child care operations;

(2) The responsibility of the sponsoring organization to train the day care home's staff in program requirements;

(3) The responsibility of the day care home to prepare and serve meals which meet the meal patterns specified in §226.20;

(4) The responsibility of the day care home to maintain records of menus, and of the number of meals, by type, served to enrolled children;

(5) The responsibility of the day care home to promptly inform the sponsoring organization about any change in the number of children enrolled for care or in its licensing or approval status;

(6) The meal types approved for reimbursement to the day care home by the State agency;

(7) The right of the day care home to receive in a timely manner the full food service rate for each meal served to enrolled children for which the sponsoring organization has received payment from the State agency. However, if, with the home provider's consent, the sponsoring organization will incur costs for the provision of program foodstuffs or meals in behalf of the home, and subtract such costs from Program payments to the home, the particulars of this arrangement shall be specified in the agreement;

(8) The right of the sponsoring organization or the day care home to terminate the agreement for cause or, subject to stipulations by the State agency, convenience; and

(9) A prohibition of any sponsoring organization fee to the day care home for its Program administrative services.

(10) If the State agency has approved a time limit for submission of meal records by day care homes, that time limit shall be stated in the agreement.

(c) Each day care home shall serve one or more of the following meal types:
(1) Breakfast,
(2) Lunch,
(3) Supper and
(4) Supplemental food.
Reimbursement shall not be claimed for more than two meals and one supplement provided daily to each child.

(d) Each day care home participating in the program shall serve the meal type specified in its approved application in accordance with the meal pattern requirements specified in 226.20. Menu records shall be maintained to document compliance with these requirements. Meals shall be served at no separate charge to enrolled children;

(e) Each day care home shall maintain daily records of the number of children in attendance and the number of meals, by type, served to enrolled children. Payment may be made for meals served to the provider's own children only when (1) such children are enrolled and participating in the child care program during the time of the meal service, (2) enrolled nonresident children are present and participating in the child care program and (3) provider's children are eligible to receive free or reduced price meals. Reimbursement may not be claimed for meals served to children who are not enrolled, or for meals served at any one time to children in excess of the home's authorized capacity or for meals served to providers' children who are not eligible for free or reduced price meals.

(f) The State agency may not require a day care home or sponsoring organization to maintain documentation of home operating costs. The State agency may not require a sponsoring organization to provide family size and income data on children enrolled in homes under its jurisdiction except in the case of providers' own children for the purpose of determining the eligibility of such children for program participation.

§226.23 Free and reduced price meals.

(a) The State agency shall require each institution to submit, at the time the institution applies for Program participation, a written policy statement concerning free and reduced price meals to be used uniformly in all child care and adult day care facilities under its jurisdiction as required in this section. Institutions shall not be approved for participation nor agreements renewed unless the free and reduced price policy statement has been approved. Pending approval of a revision of a policy statement, the existing policy shall remain in effect.

(b) Sponsoring organizations of day care homes (which may not serve meals at a separate charge to children) and other institutions which elect to serve meals at no separate charge, shall develop a policy statement consisting of an assurance to the State agency that all participants are served the same meals at no separate charge, regardless of race, color, national origin, sex, age, or handicap and

that there is no discrimination in the course of the food service.

(d) Each institution shall annually provide the information media serving the area from which the institution draws its attendance with a public release. The release issued by all sponsoring organizations of day care homes, and by other institutions which elect not to charge separately for meals, shall announce the availability of meals at no separate charge. The release issued by child care institutions shall also announce that children who are members of AFDC assistance units or food stamp households are automatically eligible to receive free meal benefits.

(e) (1) Application for free and reduced price meals. Sponsoring organizations of day care homes shall distribute applications for free and reduced price meals to day care home providers who wish to enroll their eligible children in the Program. The application, and any other descriptive material distributed to such persons, shall contain only the family-size income levels for reduced price meal eligibility with an explanation that households with incomes less than or equal to these levels are eligible for free or reduced price meals. Such forms and descriptive materials may not contain the income standards for free meals. However, such forms and materials distributed by child care institutions shall state that, if a child is a member of a food stamp household or AFDC assistance unit, the child is automatically eligible to receive free CACFP meal benefits, subject to the completion of the application as described.

(e)(2) Letter to households. Institutions shall distribute a letter to households or guardians of enrolled participants in order to inform them of the procedures regarding eligibility for free and reduced price meals. The letter shall accompany the application required under paragraph (e)(1) of this sections and shall contain:

(i) The income standards for reduced price meals, with an explanation that households with incomes less than or equal to the reduced price standards would be eligible for free or reduced price meals (the income standards for free meals shall not be included in letters or notices to such applicants);

(ii) How a participant's household may make application for free or reduced price meals;

(iii) An explanation that an application for free or reduced price benefits cannot be approved unless it contains complete "documentation" as defined in §226.2.

(iv) The statement: "In the operation of child feeding programs, no person will be discriminated against because of race, color, national origin, sex, age, or handicap";

(v) A statement to the effect that participants having family members who become unemployed are eligible for free or reduced price meals during the period of unemployment, provided that the loss of income causes the family income during the period of unemployment to be within the eligibility standards for those meals;

(vi) A statement to the effect that in certain cases foster children are eligible

for free or reduced price meals regardless of the income of such household with whom they reside and that households wishing to apply for such benefits for foster children should contact the institution; and

(vii) An explanation that households receiving free and reduced price meals must notify appropriate institution officials during the year of any decreases in household size or increases in income over $50 per month or $600 per year or -

(A) In the case of households of enrolled children that provide a food stamp or AFDC case number to establish a child's eligibility for free meals, any termination in the child's certification to participate in the Food Stamp or AFDC Programs.

(4) Determination of eligibility. When a completed application furnished by a family indicates that the family meets the eligibility criteria for free or reduced price meals, the participants from that family shall be determined eligible for free or reduced price meals.

(f) Free, reduced price and paid meal eligibility figures must be reported by institutions to State agencies at lease once each year and shall be based on current family size and income information of enrolled participants. Such information shall be no more than 12 months old.

(g) Sponsoring organizations for family day care homes shall ensure that no separate charge for food service is imposed on families of children enrolled in participating family day care homes.

(h) Verification of eligibility. State agencies shall conduct verification of eligibility for free and reduced price meals on an annual basis, in accordance with the verification procedures outlined in paragraphs (h)(1) and (2) of this section. Verification may be conducted in accordance with Program assistance requirements of §226.6(1); however, the performance of verification for individual institutions shall occur no less frequently than once every four years. Any State may, with the written approval of FNSRO, use alternative approaches in the conduct of verification, provided that the results achieved meet the requirements of this part. If the verification process discloses deficiencies with the determination of eligibility and/or application procedures which exceed maximum levels established by FNS. State agencies shall conduct follow-up reviews for the purpose of determining that corrective action has been taken by the institution. These reviews shall be conducted within one year of the date the verification process was completed. The verification effort shall be applied without regard to race, color, national origin, sex, age, or handicap. State agencies shall maintain on file for review a description of the annual verification to be accomplished in order to demonstrate compliance with paragraphs (h)(1) and (2) of this section.

(1) Verification procedures for nonpricing programs. State agency verification procedures for nonpricing programs shall consist of a review of all approved free and reduced price applications on file to ensure that:

(i) The application has been correctly and completely executed by the household:

(ii) The institution has correctly determined and classified the eligibility of enrolled participants for free or reduced price meals based on the information included on the application submitted by the household;

(iii) The institution has accurately reported to the State agency the number of enrolled participants meeting the criteria for free or reduced price meal eligibility and the number of enrolled participants that do not meet the eligibility criteria for those meals; and

(iv) In addition, the State agency may conduct further verification of the information provided by the household on the approved application for program meal eligibility. If this effort is undertaken, the State agency shall conduct this further verification for nonpricing programs in accordance with the procedures described in §226.23 (h)(2) (not reproduced here).

Sponsors are directed to these additional references for further clarification:

Ohio Department of Human Services, Type B Family Day Care Home Certification Rules, ODHS 1285, Rev. 2/92

Ohio Revised Code (ORC) 3737.22 Duties of fire marshal; bureaus, family day care homes

ODHS Type A Family Day Care Homes Licensing Rules: ORC 5101:2-13,OAC, effective 9/86, revised 6/88.

ODHS Administrative Rules for Family Foster Homes: ORC 5101:2-7, effective 1/1/91.

ODHS Administrative Rules for Public and Private Agencies: ORC 5101:2-5, effective 1-1-91.

~ Chapter 6 Section B ~

Ohio Department of Education Policies and Guidance Provider approval

Federal regulations allow family day care providers who offer safe, healthful, organized day care in their private residences to receive CACFP benefits for enrolled children. To participate in the CACFP the provider must be regulated through current local, state, or federal certification, licensure, or approval to care for children. This section of the chapter on CACFP participation offers background information and specific ODE policies and guidance about family day care certification, licensing, and approval for the Ohio CACFP.

In Ohio the following types of day care home regulation are accepted for CACFP approval:

- Certified Type B family day care
- Limited certified Type B family day care
- Licensed Type A family day care home
- Certified or licensed foster home
- Family day care home approved through a municipal ordinance
- Family day care home approved through the armed services or similar federal agency
- CACFP alternately approved family day care home

To receive public funds for child care, a provider must be certified or licensed. Alternately approved providers are eligible for CACFP benefits but not for publicly funded day care.
For specifics about allowable group size please see Section F in this chapter.

1. **Certified Type B family day care**
   A provider who cares for no more than six children at any one time in her or his home may be certified as a Type B day care provider. The group may include no more than three children under two years of age.

   a. County offices of the Ohio Department of Human Services and some nonprofit entities under contract with county departments are responsible for inspecting and certifying Type B day care providers and their homes.

b. Certfied Type B family day care providers are regulated by ODHS Type B Family Day Care Certification Rules, Ohio Administrative Code, Chapter 5101:2-14.

c. Providers should be directed to a specific person for certification, usually the day care worker at the county department of human services.

d. Type B certified providers may receive public funds for day care of children placed by ODHS.

e. Type B certified providers are eligible for CACFP benefits.

2. **Provisional limited certified Type B family day care**
Provisional limited certification is **a 60 day certification given by the Ohio Department of Human Services allowing providers to receive public funds to care for relative children in the provider's home.** After the 60 day period the provider must be approved as a limited certified provider to continue to be paid for relative care. As with Type B certification, no more than six children may be in care at any one time.
   a. No formal inspection by a county department of human services is necessary prior to issuing this 60 day certificate to care for relative children. However, a home visit must be made within 15 days after issuance. Providers sign a statement verifying they meet limited certification requirements.

   b. Providers should be directed to a specific person for provisional limited certification, usually the day care worker at the county department of human services.

   c. **Providers with provisional limited certification are not eligible for CACFP benefits.**

3. **Limited certified Type B family day care**
Limited certification is available to providers who receive public funds to care for relative children. This certification is valid for two years unless revoked. As with Type B certification, no more than six children may be in care at one time.
   a. The county departments of human services are responsible for inspecting and certifying providers for limited certification.

   b. Providers should be directed to a specific person for limited certification, usually the day care worker, at the county department of human services.

   c. Providers with limited certification may receive public funds to care for eligible relative children.

   d. Since providers with limited certification are inspected by county department of human services staff, they are eligible for CACFP benefits.

4. **Licensed Type A family day care**
Type A licensing is required of a family day care provider who cares for seven to twelve children in the home. It is also required of providers who care for four or more children under two years of age.
It can be difficult for a family day care provider to achieve Type A licensing due to local zoning restrictions and the requirements for Type A licensing.
   a. ODHS has five district offices authorized to inspect and license Type A homes. This process is similar to the inspection and licensing of day care centers.

   b. Type A licensed providers are regulated by ODHS Type A Family Dare Care Home Licensing Rules: ORC 5101:2-13, effective 9/86, revised 6/88.

   c. Providers should be directed to a specific person for Type A licensing, usually the licensing specialist, at the district day care licensing office of the department of human services.

   d. Type A homes are eligible to receive CACFP benefits.

   e. Providers should be made aware of local restrictions prohibiting Type A care in some residential areas. Information about specific restrictions may be available from city clerks, planning and zoning commissions, local elected officials, or a local attorney.

5. **Certified/licensed foster care**
Foster care is 24 hour care of children placed in a provider's home. Children are placed by one of several different foster care agencies certified by the State of Ohio to recommend homes for licensure or place children in foster homes. Whether day care is allowed in addition to foster care depends on agency rules and policies. When day care is permitted, the group size allowed for CACFP purposes is the lesser of the number of children allowed by the foster care agency or the number permitted by ODHS rules for Certified Type B providers.
   a. County departments of human services and children's services boards license foster care homes. In approximately half the counties in Ohio these departments are combined as a part of the county department of human services. In the remaining counties these departments are separate entities.

   b. The state department of human services also certifies other public and private agencies to recommend homes for foster care licensing.

   c. Providers should be directed to the district licensing office of the department of human services in their region to determine which departments or agencies are certified to recommend foster care homes and place children. A list of these offices is included in the appendix.

d. The Ohio Department of Youth Services approves homes to board children. Providers should be directed to the regional office that serves their area in Akron, Columbus, Dayton or Toledo. A list of these offices is in the appendix.

e. The Ohio Department of Mental Retardation and Developmental Disabilities approves homes to board children. For local information contact the local county board of mental retardation and developmental disabilities.

Providers may receive CACFP benefits for a child in foster care if

- another eligible child is enrolled in the CACFP and is claimed for the same meal, and
- the foster child meets the income eligibility requirements of the CACFP

6. **Family day care home approval through local municipal ordinance**
A few municipalities in Ohio have adopted ordinances to regulate approval of family day care homes within their boundaries. These approved day care homes are eligible to receive CACFP benefits.

   a. The group size allowed for CACFP purposes is the lesser of the number of children permitted by the municipal ordinance or the number allowed by ODHS rules for Certified Type B homes.

   b. Providers should be directed to the mayor's office for this type of approval.

7. **Family day care home approval through the armed services or other federal agencies**
Family day care homes licensed by the armed services or other federal agencies must follow the regulations of those agencies. They are eligible to receive CACFP benefits.

8. **Alternate approval**
When a provider is not eligible for any other local, state, or federal certification or licensure, s/he may opt to meet federal child care standards to be alternately approved to participate in the CACFP. To be alternately approved, a provider must pass fire and health inspections, and meet CACFP standards every 12 months. Sample forms are included in the appendix.

   a. **Fire safety inspection**
   This annual inspection must be completed by a certified fire safety inspector or state fire marshal. The state fire marshal inspects the home only when a local inspector is not available. Sponsors can help providers with this requirement by giving them the name of the local fire department that serves the provider's neighborhood. The provider should make the contact with the fire department and arrange an appointment for an inspection. If

the provider lives outside a local fire bureau, contact the Division of the State Fire Marshal in Reynoldsburg, Ohio for the name of the district fire marshal. These inspections are authorized by Ohio Revised Code, Chapter 3737, Section 22, Duties of fire marshal; bureaus; family day care homes. According to this code, inspectors may set a fee for the inspection services. Whether a fee is charged and the amount varies.

b. **Health inspection**
This annual inspection must be completed by a city or county health authority. Sponsors should give providers the name of the local health authority with jurisdiction in their neighborhood. These inspections are required for CACFP alternate approval participation, however, Ohio Revised Code does not require health inspections of private residences. Most health inspectors are cooperative and complete the inspections as a courtesy to the provider, the sponsor, and the ODE. Some health departments are concerned about liability issues and refuse to complete the inspections. A locally determined fee may be charged for the inspection.

c. **CACFP standards**
This annual inspection is completed by the sponsor and must include the federally mandated standards specified in §226.6 (d)(2)and (3). It is usually the last step completed by the sponsor and the provider prior to alternate approval to participate in the CACFP. A copy of a CACFP standards form is included in the appendix.

9. **Unregulated child care**
An unregulated day care provider is any person who cares for nonresidential children in her or his home, and who does not participate in any local, state, or federal child care regulatory system. Even though they are unregulated, these providers must still comply with Ohio Day Care Licensing Law with regard to group size. Unregulated homes are referred to as Type B homes by ODHS rules. They are not *certified* Type B homes and therefore are not eligible for CACFP benefits or for public child care funds.

10. **Additional optional provider requirements**
Some sponsors and some local and county departments impose additional requirements for providers to participate in their programs. Additional training, more restrictive limits on the number of children in care, submission of references. Since October, 1993 Ohio law has required fingerprinting and background checks for child related occupations including family day care.

a. **Additional training**
Sponsors may require alternately approved providers to meet the training requirements of Type B certification rules, or have up-to-date CPR and first aid training. Some sponsors require on-going training in child growth and development.

b. **Less than allowed group size**
Some licensing or approving agencies, which may include municipalities, foster care agencies, and the military, may establish smaller group size limits than allowed by Type B Certfication rules. The smaller group size, in these instances, applies.

c. **Provider references**
Some sponsors require providers to furnish names of several personal and/or professional references prior to approval.

d. **Provider background checks**
In the past, many sponsors routinely asked providers for permission to conduct reference checks through local law enforcement agencies. In October 1993, reqiuirements for criminal background checks and fingerprinting were codified in Ohio law . Now all providers who receive state or federal funds for child care, meal reimbursement, or other funded services must comply with these requirements. Interim approval to participate in the CACFP is allowed while the investigation is underway. Final approval is based on a positive report. Contact local law enforcement agencies for current information about background checks and fingerprinting.

11. Types of Family Day Care in Ohio

Characteristics of day care homes	Federal License or Approval		State License		County Certified			Local Approval	No regulation
	Alternate Approval	Military*** and other	Licensed Foster Care	Licensed Type A	Certified Type B	Limited Certif.	Provisional Limited Certif.	Municipal*** Ordinances	Unregulated Day Care
Eligible to receive CACFP meal benefits	x	x	x	x	x	x		x	
May be alternately approved with fire, health, and CACFP standards inspections when no other form of licensure or approval is available.	x								
Must follow group size requirements of ODHS Day Care Licensing/Certification Law	x	see note below	x	x	x	x	x	see note below	x
Must be inspected and approved by a county department of human services					x	x	home visit by 15th day 60 day limit		
Must be approved by an agency authorized by ODHS to certify/place children in foster homes.			x						
Must be licensed by a district office of the department of human services			or other authorized regulator	x					
May care for children whose child care is publically funded			x	x	x	co. funds for relatives only	co. funds for relatives only		
May care for residential children in addition to own	x		x	x	x	Subj to DHS reg	Subj to DHS reg		x
May care for children whose parents pay for the child care	x		x	x	x	Subj to DHS reg	Subj to DHS reg		x
May care for relative children	x		x	x	x	x	x		x
May care for children on a 24 hour basis			x						x
May care for 7-12 children at one time				x					
May care for 4 children under 2 years of age				x					

*** Note: For military and other local regulators, the characteristics of the homes are governed by the laws, rules, and ordinances of each program. At a minimum, providers in military and locally regulated homes must be aware of the requirements of their particular regulator **and** of Type B certification rules and then follow whatever regulations are most restrictive.

~ Chapter 6 Section C ~

Ohio Department of Education Policies and Guidance Provider and sponsor rights, responsibilities, and restrictions

Sponsors and providers have certain federally established rights and responsibilities in the CACFP. These rights and responsibilities are detailed on the agreement (form 009) that the sponsor and the provider sign prior to program participation. It is recommended that these statements be reviewed annually so both parties continue to understand their obligations and rights.

This section of the manual reviews provider and sponsor rights and responsibilities, provides specific information about use of substitute caregivers, and highlights the limits placed on sponsors in the management of providers.

1. **Provider rights and responsibilities**
   In accordance with CACFP regulations, the provider agrees to
   a. Be a certified or licensed provider, or alternately approved in the absence of local, state, or federal licensure or approval. Providers are responsible for maintaining current certification, licensing, or inspections. Providers are also responsible for giving sponsors verification of certification or licensure prior to final approval to participate in the CACFP.

   b. Attend training sessions required by the sponsor.

   c. Tell the sponsor without delay the names of any children added or dropped from enrollment or any changes in the home's license or approval status.

   d. Open their home to all children without regard to race, color, national origin, age, sex, or handicap.

   e. Keep daily records of
      1) food served to day care children at each meal
      2) number of meals served to children at each meal service
      3) number of enrolled children present each day

f. Claim meals served to enrolled eligible children living in the home 24 hours per day (including the provider's own children) only if each residential child
   1) is enrolled in the CACFP
   2) meets family-size and income standards for free or reduced price meals
   3) is claimed for a meal only if another nonresidential child enrolled in the program is served the same meal and the meal is claimed for payment

g. Claim only one meal per child at each meal service.

h. Serve meals which meet CACFP nutrition requirements for the ages of the children being served.

i. Claim CACFP reimbursement only for program meals approved by the state agency on the home application as updated locally by the sponsor.

j. Serve meals to all enrolled children at no extra charge to parents or guardians.

k. Make meal count and menu records available to the sponsor by the date required.

l. Allow representatives from the sponsoring organization, the state agency, and the U.S. Department of Agriculture to come into the provider's home for the purpose of reviewing the CACFP operations.

2. **Approved substitute caregivers**
Occasionally a provider may need to hire a substitute to care for the children while attending training, family business, or other meetings. Certified or licensed providers and alternately approved providers may use a substitute caregiver and receive CACFP benefits for meals under the following circumstances:
   a. Certified or licensed providers may receive meal reimbursement when care is given by a substitute who has been approved by the certifying or licensing agency to provide substitute care.

   b. Alternately approved providers may receive meal reimbursement when care is given by a substitute who
      • is 18 years of age or older
      • lives in the provider's home
      • has an approved provider Application/Agreement (form 009/ 009A) on file with the sponsor.

3. **Non-approved substitute caregivers mean disallowed meals**
Providers may not claim meals for
   a. A child cared for by a nonapproved substitute in the approved provider's absence

   b. A child cared for in a non-regulated home (a home that has not been certified, licensed or alternately approved). This situation may occur when a provider moves and is awaiting home approval. If it is documented that the certifying or licensing agency continues to pay for child care in the uncertified or

unlicensed home, the CACFP can reimburse for meals. Otherwise, program benefits are not paid.

c. A child cared for in an alternately approved home that has not had fire, health, or CACFP standards inspections. Meals cannot be paid until all inspections have been satisfactorily completed.

d. A child eating meals away from the provider's home. Ohio CACFP policy requires providers to serve meals in their homes. Occasional picnics and field trips, and meals eaten away from home so the provider can attend approved training, are allowed. By ODE policy, reimbursement for restaurant meals is not allowed.

4. **Sponsor rights and responsibilities**
In accordance with CACFP regulations, the sponsoring organization agrees to
   a. Train providers before they begin participation

   b. Offer additional training sessions scheduled at a time and place convenient for providers

   c. Respond to a provider's request for technical assistance

   d. Provide recordkeeping forms

   e. Promptly pay each provider the full food service rate for each meal served within five days after receiving reimbursement from the state agency

   f. Charge no fee to the provider for CACFP services

   g. Assure that all meals claimed for payment are served to enrolled children without regard to race, color, national origin, age, sex, or handicap

   h. Assure that all meals claimed for payment meet CACFP requirements

   i. Visit each day care home during the hours of child care operations at least three times annually to review meal service and meal records

In addition, sponsors are responsible for sending verification of certification or licensure to ODE with the provider's application/agreement. Verification can be a letter on agency letterhead confirming the certification or licensure and the effective dates, or a copy of the provider's certificate or license giving the effective dates of the contract. Sponsors should confirm current certification or licensure with the appropriate agency when the provider supplies a copy of the license or certificate as proof.

5. **Sponsor restrictions**
Sponsors are prohibited from taking these actions with providers.

a. The sponsor cannot charge a provider for any CACFP related services. If the agency has charges for non CACFP services, they must be identified as voluntary and unrelated to CACFP approval, continuation, and benefits. A voluntary charge may be a membership fee for a provider organization or provider newsletter, unrelated to CACFP participation.

b. The sponsor may not require a provider to keep food expense records. However, the sponsor should offer annual training in state and federal tax requirements so the provider can make an informed decision about which records to keep.

c. The sponsor may not pay for meals of any child(ren) above the number allowed in care at one time by the appropriate Type B or Type A group size limits.

d. The sponsor may not offer financial bonuses to providers for participating in the CACFP, or pay a higher rate than the federally determined CACFP meal rate.

~ Chapter 6 Section D ~

Ohio Department of Education Policies and Guidance
Provider active status, renewal, and transfer

As discussed in Section B of this chapter, providers must be regulated to participate in the CACFP. This section of the manual describes the documents required for a provider to have active status in the CACFP. Also discussed are annual renewal requirements for active status and provider transfer between sponsors.

1. **Provider active status**
   A provider is considered to be active in the CACFP when
   a. All approved inspections of an alternately approved home have been received by the state agency

   b. Certification or licensure verification has been received by the state agency for certified or licensed homes

   c. The state agency has approved and signed the application/ agreement between the sponsor and the provider. **Meal payments begin with this date.** The sponsor is liable for earlier payments.

   For state agency purposes, once approved a provider remains active until the end of the fiscal year (September 30) unless s/he voluntarily discontinues participation, or is terminated from participating in the program by the sponsor, or unless the sponsoring agency has a policy regarding when providers are given inactive status in the middle of a fiscal year.

2. **Annual required renewal of a provider's active status**
   The sponsor is required to renew the active status of all providers by the beginning of each new fiscal year, October 1, as a part of the sponsor's annual program application. To renew providers, the sponsor must send the following information to the state agency each year:
   a. Names and addresses of all providers who will renew for the fiscal year and who plan to claim reimbursement for meals in October
   b. For certified or licensed homes, proof of current local, state, or federal certification or licensure

c. For alternately approved homes, current fire and health inspections and CACFP standards

A provider will be removed from active status whenever a certificate, license, or any one of the three inspections for alternate approval has expired and is not renewed by September 30. The sponsor cannot pay for meals claimed by a nonrenewed provider. ODE will reclaim incorrect payments from the sponsor.

To avoid paying inactive providers erroneously, sponsors should validate the list of active providers with the state agency list before issuing the October meal payments to providers.

3. **Provider transfer between sponsors**
Sponsors should advise each provider, at the time of application and annually thereafter, of the right to transfer and the restrictions placed on transfer.

A provider may wish to transfer between sponsors when s/he moves to a new location or when the services of another sponsor in the same area seem to better meet the provider's needs.

4. **Provider initiated transfer**
ODE restricts transfers requested by providers to the month of October, the beginning of the fiscal year. Transfers mid-year are allowed only if the provider has not claimed any reimbursement from October 1 to the date of the transfer. This restriction is intended to

a. Help sponsors maintain the integrity of their administrative budgets. ODE recognizes that sponsors develop the administrative budget based on a realistic appraisal of the number of homes that will claim reimbursement for meals each month during a fiscal year. An unpredicted change in the number of claims can have serious results for a sponsor in terms of staffing and services that can be offered to the remaining providers.

b. Help sponsors avoid being placed in a competitive position by providers.

5. **Procedures for completing provider initiated transfers**
a. The receiving sponsor must confirm the provider is in good standing with the sending sponsor. Providers who are not in good standing are ineligible to transfer. To determine if a provider is in good standing, the new sponsor should
- have the provider complete the provider transfer form which details the guidelines for transfer. The provider must understand these guidelines and abide by them. An example of a transfer form is included in the appendix.
- or send the former sponsor a list of name(s) and address(es) of provider(s) who wish to transfer and ask the sponsor to indicate which provider(s) are in good

standing. When sponsors choose to communicate directly, they must give each transferring provider a written copy of the transfer guidelines which are detailed on the provider transfer form.

b. The sponsor accepting the transfer must send to the state agency
   - Application/Agreement (form 009/009A) correctly completed and signed by the new sponsor and the provider
   - proof that the provider is currently certified or licensed for child care in a certified or licensed home
   - a new CACFP standards in an alternately approved home. The fire and health inspections will be copied from the former sponsor's files for the new sponsor if they are current and if they were completed at the provider's current address.

6. **Sponsor initiated transfer**
   A transfer initiated by a sponsor usually occurs when a provider moves from the geographic area of one sponsor to another's. Continuing to supervise the home would cause administrative hardship. Transfers initiated by sponsors may occur at any time of the year with a written agreement between the provider and both sponsors.

7. **Procedures for sponsor initiated transfers**
   Sponsors must contact the state agency in writing indicating the name and address of the provider, the conditions related to the request for transfer, and the effective month of the transfer. The same documents required for a provider initiated transfer must be sent to the state agency for a sponsor initiated transfer.

8. **Beginning CACFP benefits for transferred providers**
   a. A transferred provider may be paid for meals on the date the state agency signs the Application/Agreement (form 009/009A).

   b. In the month of the transfer, the provider will lose reimbursement for the days prior to state agency approval. This occurs because a provider may not claim reimbursement from two sponsors for the same month.

9. **Provider name change**
   The sponsor must inform ODE when a provider's name changes. Prompt notification prevents errors in payment and audit findings due to incorrect records. A name change form is included in the appendix.

10. **Change in type of provider approval**
    The sponsor must inform ODE when a certified or licensed provider becomes alternately approved or visa versa. Prompt notification prevents errors which could be costly to the sponsor. A change form is included in the appendix.

11. **Provider change of address**
    a. Certified or licensed providers who move cannot continue to participate in the CACFP until the new residence is approved or licensed. Payment will resume on the date the new residence is confirmed as approved for child care by the certifying or licensing agency. Proof of certification or licensure of the new home includes any one of the following:
        - a copy of the certificate or license bearing the new address with the dates of the contract
        - written documentation from the agency confirming the date of reinspection and approval
        - proof that the provider has received payment for child care in the new residence during the dates in question. Proof may be an invoice from the approving agency made out to the provider or a letter from the agency confirming payment. Either must bear the payment dates and the new address. When there are questions about an invoice, the sponsor must contact the approving agency for clarification.

    b. Alternately approved providers must have new fire and health inspections and a new CACFP standard. Payment will resume on the date the last alternate approval form is completed. All forms must bear the inspection dates and the address of the new residence, and be signed by the appropriate authority.

Forms Required by the Ohio Department of Education to Approve Certified Type B, Type A, and Foster Care Providers

Document	Provider Status			
	New Provider	Provider Renewing	New Address	Transferred Provider
1. Application/ Agreement (009/009A)	x	x		x
2. Proof of certification or licensure	x	x	x -or- x -or- x	x
3. Proof of reinspection				
4. Proof of payment for child care				
5. Proof of good standing				x

New providers and providers renewing may be paid from the date the state agency receives all the required forms and signs the Application/Agreement (009/009A).

Forms Required by the Ohio Department of Education to Approve Alternately Approved Providers

Document	Provider Status			
	New Provider	Provider Renewing	New Address	Transferred Provider
1. Application/ Agreement (009/009A)	x	x lapsed inspections at end of fiscal year		x
2. Fire Inspection	x	x	x	from ODE files
3. Health Inspection	x	x	x	from ODE files
4. CACFP Standards	x	x	x	x
5. Proof of good standing				x

Ohio Department of Education Policies and Guidance Enrolling children for CACFP meal benefits

Providers may claim meal and snack reimbursement from the CACFP for eligible and enrolled children. This section of the manual describes which children are eligible for program benefits and the process required for enrollment.

Sponsors and providers must bear in mind that meal benefits must be available to all eligible children without regard to race, color, national origin, sex, age, or handicap.

1. **CACFP age restrictions**
   Providers may claim meals for
   a. Children from birth through 12 years of age
   b. Children of migrant workers through 15 years of age
   c. Persons with documented mental or physical disabilities through 21 years of age if they receive special services at a facility that serves primarily children

2. **Nonresidential children**
   Children who do not live with the provider on a 24 hour basis are considered nonresidential children and are eligible for CACFP benefits. All nonresidential children must be enrolled for care and meet CACFP age restrictions.

3. **Residential children**
   Children who regularly live with the provider on a 24 hour basis are eligible for CACFP benefits only if
   a. The family income meets the USDA criteria for free or reduced price meals.
   b. An Income Eligiblity Application, detailing the family income, has been filed with and approved by the sponsor.
   c. An eligible enrolled nonresidential child is present and eating the same meals claimed for the residential child.

   Residential children can include the provider's own child, relative children, foster children, and informal arrangements where a non-related child lives with the provider on a daily basis. All residential children must be enrolled for care and meet CACFP age restrictions.

4. **Temporary emergency residential care**

   Generally a meal can be claimed for a residential child only if the family meets USDA income guidelines and the same meal is claimed for another enrolled and eligible child. However, when a child **occasionally** needs temporary or emergency 24 hour care, a provider may claim meals without an approved income eligibility form or other nonresidential children participating. Under these circumstances, meals may be claimed for three consecutive calendar days. If the child requires 24 hour care beyond three days, all the requirements for residential care must be met.

5. **Foster children**

   Children who have been legally placed in a home licensed by the Ohio Department of Human Services or other approved foster care agencies, are considered foster children. ODE treats foster care as follows:

   a. Foster children are not considered to be related to the provider unless they meet the ODHS definition of relative in the Type B Family Day Care Home Certification Rules. This means foster children from birth through 14 years of age count in group size limitations which are discussed later in this chapter.

   b. Foster children are considered to be residential children. This means meals may be claimed for a foster child only if another nonresidential enrolled child is claimed for the same meal and the foster child has an approved Income Eligibility Application on file with the sponsor. The Income Eligiblity Application required to receive meal reimbursement for foster children includes only the personal use income of the foster child(ren). The provider's family income is not used to determine eligibility for CACFP benefits of foster children.

6. **Children from migrant families**

   Children from migrant families are allowed to participate through 15 years of age. Sponsors must annually update written documentation of migrant worker status with the local migrant worker council.

7. **Children with disabilities**

   Children with disabilities are allowed to participate in the CACFP through 21 years of age as long as they are receiving special training at a facility that provides special services primarily to children.

8. **Sponsors must annually verify the disability**

   In Ohio, a child with a disability must have an individual education program (IEP) on file with the school. Existence of an IEP is verification of disability. Sponsors must annually verify the existence of the IEP and document the person is enrolled with a local secondary school district or an agency that provides special services primarily for children. If the person is enrolled in a school or agency whose primary purpose is to serve adults, the person may participate through age 12 only.

9. **Providers may not discriminate**
On the Agreement/Application(form 009/009A) providers sign a statement that they will not discriminate against anyone in regard to race, color, national origin, sex, age, or handicap. Sponsors should inform providers they cannot discriminate against parents or eligible infants and children.
Also, providers should be informed that restriction against discrimination due to disability extends to a child with AIDs or HIV as well as other disabling conditions. Please see the appendix for information about discrimination and the Americans with Disabilities Act.

10. **Enrolling eligible children**
Providers may claim meals for enrolled eligible children. To enroll a child, the provider must have the parent or guardian complete and sign the child enrollment form which must include the following information:
   a. Child's name, age, and birthdate
   b. Days of the week the child is enrolled for care
   c. Usual arrival and departure times
   d. Meals that will typically be claimed for CACFP reimbursement
   e. Whether the child is the provider's own child, a residential child, from a private pay family, or receiving publically funded day care
   f. A statement that the child is enrolled for care with the provider (the name of the provider must be written on the form)
   g. A statement that the child is participating in the CACFP, and that the provider will not charge extra for reimbursed meals
   h. Voluntary civil rights information about the child's race or ethnic identity
   i. CACFP nondiscrimination statement
   j. Telephone numbers and address of parent/guardian
   k. Signature of the parent or guardian
   l. Date the parent or guardian signed the enrollment form

   See the appendix to this section for a sample enrollment form.

11. **Updating child enrollment forms**
Sponsors are required to collect and maintain current and accurate enrollment information for each child. The sponsor may need this information to contact parents or guardians about meal claims or the child's welfare, or to conduct surveys and distribute program information.

Providers should have parents regularly report pertinent changes. Most sponsors give the provider a form to report meal or enrollment changes which the provider returns to the sponsor with the monthly meal records. This process continually updates the sponsor's records with current enrollment and meal information.

12. **Renewing child enrollment forms**
All child enrollment forms must be renewed at least every three years. Information must be current and accurate. Some sponsors ask providers to have parents or guardians renew the enrollment forms annually.

13. **Enrollment forms for children in the care of more than one provider**
Some children are cared for by more than one provider For example, a family may need long hours of care and may be unable to find one provider to meet their needs or the family may need to use a second provider for weekend care. Occasionally a provider will refer a parent or guardian to another provider while the regular provider is on vacation, at training, or otherwise away.
Only the caregiver listed on the enrollment form may claim meals for that child. If two providers care for the same child, both must have a signed enrollment form on file with the sponsor to be reimbursed for the child's meals.

14. **Income Eligibility Application (IEA) for residential children**
All residential children must have an IEA approved and on file with the sponsor to participate in the CACFP. This application verifies that the child meets USDA free or reduced price income guidelines or receives AFDC or food stamp benefits.

15. **The IEA as the enrollment form**
The IEA is considered the enrollment form for a residential child when it includes a statement that the child is enrolled in the home for child care. If this statement is not on the IEA, an enrollment form must be completed and on file with the sponsor.

16. **General guidelines for completing the IEA**
    a. All information required on the IEA must be accurate and complete.

    b. All household income must be included on the IEA.

    c. The provider's income from her or his day care business must be included on the IEA. Sponsors should be advised that a new provider may not have an accurate measure of day care income, and the IEA may need to be revised within the first month or two.

    d. CACFP meal reimbursement is usually considered payment for a business expense and not income to the provider. Since the provider

is allowed to report net income from day care (after expenses are deducted) the CACFP payments are not actually income. However, providers should be told that the Internal Revenue Service generally requires providers to document day care business costs, including food, with bills, receipts, and cancelled checks. Without these records, the CACFP reimbursement may be considered as income by the IRS.

e. Providers must update the IEA whenever family income increases by $50.00 per month, or $600.00 per year or more, when the number of household members decreases, or when AFDC or Food Stamp benefits are terminated.

17. **See the appendix for detailed help in completing the IEA**
Please read the Sponsor Instructions for Completing the Income Eligibility Application which is in the appendix to this chapter. This instruction provides detailed information to help sponsors avoid costly errors.

18. **General guidelines for verifying the IEA**
Several sponsors require providers to document the household income reported on IEA's. Income earned outside the home may be supported by a wage and hour statement, a letter from the employer, a recent copy of an IRS 1040 income tax form, or confirmation of Food Stamp or AFDC case numbers. Day care income earned in the home may be documented by a written statement from the parent or guardian of an enrolled child. If public funds are involved, the county department of human services can give the provider documentation of earned income. This kind of verification is not currently required for CACFP participation. However, sponsors and providers will be held financially liable for any meals paid for the provider's own children when the family is over income . The provider or sponsor must then repay the state agency for the cost of these incorrectly claimed meals.

19. **CACFP requirements for IEA verification include the following:**
a. The sponsor must document the date the IEA is received at the top of the form.

b. The sponsor must review the information and correctly categorize the application as accepted or rejected.

c. The sponsor must validate the form by signing and dating it in the appropriate spaces.

d. The date the parent or guardian signs the IEA is considered the effective date. If the parent does not date the IEA the effective date becomes the date the sponsor approves the form.

e. The IEA is valid for 12 months from the effective date unless ADFC or Food Stamp benefits are terminated, the family income increases by $50.00 per month or $600.00 per year, or family size decreases.

f. While the IEA is valid for 12 months from the effective date, CACFP benefits may be approved for the entire month regardless of when during that month a child's IEA was received and approved.

20. **Annual renewal of IEA's required**
Sponsors must have providers renew the IEA each year. Sponsors should either renew all IEAs at the same time each year (usually in August or September after the new income scales are published) or have a reminder method to assure that each form is renewed every 12 montns.

21. **General office procedures recommended for the IEA**
    a. Sponsors should duplicate all IEA's and file the second set in a secure location.

    b. Sponsors must keep all CACFP records, including Income Eligibility Applications, for three past years and the current program year.

22. **Handle the IEAs with extreme care**
Income Eligibility Applications must be accurate and available during a review or an audit. Lost or erroneously approved applications and incorrect or incomplete information are the primary sources of costly findings against a sponsor during a state agency review or outside audit. When documentation does not support payment of meals for a residential child, the sponsor must repay the overclaim to the state agency.

23. **Claiming meals for enrolled children**
On-going providers may begin claiming meals for a newly enrolled child as soon as the sponsor receives and approves the completed enrollment form (and the income eligibility form for a residential child). Sponsors must document the date the enrollment form was received on the form. Meals paid prior to the date the enrollment form is received are not allowed and will be reclaimed from the sponsor by the state agency.

24. **Claiming meals for schoolage children**
    a. Lunch may not be claimed for schoolagers when school is in session and the National School Lunch Program (NSLP) is offered in the child's building.

    b. Lunch may be claimed for schoolagers only during school closings, vacation, when the child is home ill, or when the NSLP is

not offered in the building and the child comes to the provider's home to eat. The provider must be able to support the meal claim with written documentation.

25. **Meal reimbursement ends**
    a. When the child becomes 13 years old
    b. When a child of a migrant worker becomes 16
    c. When a child with a disability becomes 22 years old, or before if special services are discontinued

Forms Required for Meal Reimbursement Approval

Status	IEA Required	Enrollment Form Required
Non-residential child	no	yes
Residential	yes	yes

Ohio Department of Education Policies and Guidance
Group size

The Child and Adult Care Food Program can reimburse for meals served to children in family day care from birth until the thirteenth birthday. Children with documented disabilities may participate through 21 years of age; migrant worker children until 16.

As state agency policy, the CACFP supports the group size requirements as defined by ODHS Day Care Licensing Law and Type B Family Day Care Home Certification Rules. This section of the manual defines who is included in the group, when violations in group size occur, and actions required when violations are encountered.

1. **Group size limits**
   Type B family day care providers may care for or supervise no more than six children at one time. Included in the group of six, no more than three children may be under two years of age at one time.

2. **Who IS included in the group**
   Even though the CACFP benefits are restricted to children from birth until the thirteenth birthday, all nonrelated children in the supervision of the family day care provider until the fifteenth birthday count in the group of six. This includes children visiting with the family day care provider's children, neighborhood children who drop by, foster children in care with the family day care provider, schoolagers in extracurricular activities, such as Scouting, who come to the family day care provider's home. The following children are included in the group:

   a. **All relative children until the sixth birthday**

   b. **All nonrelative children until the fifteenth birthday**
      While CACFP benefits are available to children until 13 years of age, all nonrelative children, including nonrelative foster children are included in the group size until 15 years of age.

   c. **No more than three of the six children may be under two years of age.**

3. **Who IS NOT included in the group**
   a. **The family day care provider's own children who are six years of age or older.**

   b. **The family day care provider's relative children who are six years of age or older.**

c. **Legally adopted children (including permanent custody of foster children) who are six years of age or older.**

4. **Violations of group size**
A provider caring for or supervising more children than allowed by ODHS Day Care Licensing Law and Rules is operating an unlicensed day care center or Type B family day care home. The law prohibits unlicensed operations and authorizes the Department of Human Services to investigate. Ohio Day Care Licensing Law is violated when
   a. A seventh relative child under six years of age is added to the provider's care or supervision

   b. A seventh nonrelative child under 15 years of age is added to the provider's care or supervision

   c. A fourth child 23 months of age or younger is added to the provider's care or supervision

5. **Action required when group size requirements are violated**
ODE policy supports ODHS regulation and requires the sponsor to take the following action when group size violations have been observed at a home visit:
   a. Discuss group size requirements with the provider. Outline the procedure the sponsor is required to follow if the provider continues to violate Ohio law.

   b. In certified or licensed homes
      - Report the violation to the appropriate county department of human services or licensing agency.
      - Disallow meals for any children in excess of the allowed group size.
      - Encourage the provider to contact their child care worker about the extra children in care.
      - Document in writing the in-home observations and the contact made to ODHS.
      - Sponsors do not have the authority to terminate a certificate or license but are required to terminate participation in the CACFP if group size violations are observed twice.

   c. In alternately approved homes:
      - Disallow meals for any children above the allowed group size.
      - Report the violation to the appropriate district licensing office of the department of human services.
      - Document in writing the in-home observations and the contact with the district licensing office.
      - Warn the provider that the second time group size violation is observed, participation in the CACFP will be terminated.

Age Eligibility for CACFP Benefits

Child status	Ages of eligibility
All children	birth until the 13th birthday
Migrant children ★	birth until the 16th birthday
Child with a disability ★★	birth through 21 years

★ Status as a migrant must be documented annually.
★★ Eligibility and receipt of special services for children with disabilities must be documented annually.

Ohio Department of Human Services Group Size Limits for Type B Homes by Age and Family Relationship		
	Birth until the 6th birthday	**Age 6 until the 16th birthday**
Relative children	count in group size	do not count in group size
Non-related children	count in group size	count in group size
Foster children non-related	count in group size	count in group size
Any child on the premises without parent or guardian supervision	count in group size	non-relative children count in group size relative children do not count in group size

Type B Homes:
Number of Children Allowed in Care at One Time

The number of children allowed in care at a Type B home is determined by the age and relationship of each child to the provider.

Age of Child and Relation to the Provider	Examples of Number of Children Allowed			
Birth through 23 months of age (includes relatives and non-relatives)	3	2	1	0
24 months until the 15th birthday (includes relative children under six years of age)	+3	+4	+5	+6
Maximum allowed group size	6	6	6	6

★ Exceptions for relatives six years of age and older ★

1. All non-relative children are included in the group size requirements until the 15th birthday. This includes all children visiting with the provider's own child or otherwise on the premises without a parent or guardian.

2. Any number of relative children six years of age and older may be added to the group and not violate group size requirements.

3. Relatives are defined by Ohio Department of Human Services rules. Please see the definition of relatives in chapter 1.

4. Relatives DO NOT include foster children unless they have been permanently placed in the family.

5. Relatives DO include formally adopted children.

Check with the county department of human services about current restrictions placed on the number of relatives allowed in care.

~ Chapter 7 ~

Child and Adult Care Food Program
Provider recruitment, training, and support
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~ Chapter 7 Section A ~

Federal Regulations
Provider recruitment, training , and support

§226.16 Sponsoring organization provisions.

(b) Each sponsoring organization shall submit to the state agency all information required for its approval and the approval of all child care and adult day care facilities under its jurisdiction, including:

(1) A sponsoring organization management plan, in accordance with §226.6 (f)(2);

(2) An application for participation, or renewal materials, for each child care and adult day care facility accompanied by all necessary supporting documentation; and

(3) Timely information concerning the eligibility status of child care and adult day care facilities (such as licensing/approval actions).

(d) Each sponsoring organization shall provide adequate supervisory and operational personnel for the effective management and monitoring of the program at all child care and adult day care facilities under its jurisdiction. At a minimum, such Program assistance shall include:

(1) Pre-approval visits to each child care and adult day care facility for which application is made to discuss program benefits and verify that the proposed food service does not exceed the capability of the child care facility;

(2) Staff training for all child care and adult day care facilities in program duties and responsibilities prior to beginning program operations:

(3) Additional training sessions, to be provided not less frequently than annually.

~ Chapter 7 Section A ~

Ohio Department of Education Policies and Guidance
Provider recruitment

As any sponsor quickly learns, the life of the organization depends on a sponsor's ability to recruit and retain active providers. The Ohio Department of Education understands the fiscal importance of successful recruitment efforts. In addition, the Ohio Department of Education believes it is a sponsor's responsibility to promote the CACFP.

As you recruit new providers keep in mind the overwhelming consideration should be what is best for the children. At a minimum, the home should provide a safe and healthful environment. All parents should have reasonable assurance of safe care for their children in home day care. Following are additional ODE policies and guidance to help make your outreach program successful. Much of the information in this section was shared by sponsors who have successful outreach programs.

1. **Nondiscrimination clause**
   All print materials (including outreach materials) used in the Child and Adult Care Food Program must include this non-discrimination statement:
   The Child and Adult Care Food Program is open to all eligible children regardless of race, color, national origin, sex, age, or handicap. If you believe you have been treated unfairly in receiving food services for any of these reasons, write immediately to the Secretary of Agriculture, Washington, DC 20250.

2. **Sponsors may not discriminate**
   All persons, regardless of race, color, national origin, sex, age, or handicap are eligible to participate.

3. **Providers may not discriminate**
   Providers may not discriminate against any child or family based on race, color, national origin, sex, age, or handicap, including diseases such as AIDS or HIV.

4. **Preapproval requirements**
   All providers recruited to participate in the CACFP must be licensed, certified or alternately approved.

5. **What to do when a provider's abilities are questioned**
   While no provider should be discriminated from participating in the Child and Adult Care Food Program, the ultimate consideration when determining who may participate is

his or her ability to provide a safe environment for children. When competence is questioned, the sponsor may require a prospective provider to obtain a signed statement from a licensed physician attesting to the provider's ability to provide the physical and emotional care required by children under normal *and* emergency situations. *Periodic reaffirmation of the provider's abilities by the physician is recommended in cases where ability to care for the children is questioned.*

6. **Program commitment**
   Successful outreach efforts always involve
   a. Commitment to the program and people involved with a sincere appreciation for children, family day care providers, and parents

   b. Personal involvement in the community

   c. Significant networking with others interested in child care

7. **Measurable outreach goals and objectives**
   Sponsors should work with staff to establish short and long term measurable outreach goals and objectives and methods for achieving them.

8. **Staffing for outreach**
   There are many effective methods of promoting and increasing local participation in the Child and Adult Care Food Program.

   a. Some agencies use specialized outreach staff to promote the program.

   b. Others incorporate outreach responsibilities into the job description of field staff. When a myriad of duties are the responsibility of one individual, sponsors should be aware of the potential for overwhelming a staff person and creating a situation where it isn't to the person's advantage to do one more job. As an example, if the job requires program promotion and increased enrollment, the staff person might be less interested if s/he is also expected to monitor the recruited providers.

   c) Some sponsors divide job responsibilities between several persons. One is responsible for home visits and provider support, another is hired, often at a lower wage, to review menus and count claims. This method can free up time for outreach and program monitoring.

9. **Avoid staff burn-out, reward staff**
   Sponsors should be keenly aware of the possibility for burn-out when staff have many responsibilities.
   a. Adding staff when needed to keep caseloads at a reasonable level is helpful.

   b. Offering special recognition for those who are able to perform many duties can encourage staff.

Employee of the month, special recognition at staff meetings, personal notes sent and then added to a personnel file, special parking spaces, and dinner with the executive director can all help assure effective staff and program growth.

c. Offering additional incentives for effectively maintaining a caseload may help promote program growth. For example, staff can be rewarded with full paid attendance to CACFP related meetings, or a reduced geographic area to manage as the caseload grows.

10. **Networking**
Sponsors should establish positive working relationships with other agencies and persons who can support and enhance child care and nutrition for children.

a. **Who to contact**
The following organizations are active in most communities.
- county departments of human services
- Head Start programs
- Women, Infants, and Children Programs (contact county health departments)
- resource and referral agencies
- adult education in high schools
- joint vocational schools and technical colleges
- elementary schools
- local hospitals
- physicians
- Cooperative Extension Service
- day care center associations
- city council members and county commissioners involved in child care issues
- service groups (such as league of women voters, business and professional women's associations, sororities, service clubs, extension home makers' clubs, girl scout leaders, Kiwanis, and Jaycees)
- local associations for the education of young children
- local associations of home economists
- community action agencies
- churches
- United Way agencies

b. **Ideas for working together**
Work with other organizations and individuals to maximize efforts and create a coordinated child care system. Cooperative efforts could involve
- coordinating joint training
- sharing items for newsletters
- asking others to distribute flyers, posters, or other materials to their clientele
- sharing a booth at a local fair
- arranging special occasion provider get-togethers
- planning an event around National Week of the Young Child (in early April) or National Nutrition Month (March)

c. **Use the media**
Use the media to get your message out. Each community has a unique mix of media possibilities available.
- for free advertising, send public service notices to newspapers about your program.
- highlight a special provider in an article or on a local radio or television talk show.
- produce a public service announcement at a local college or radio station to tell about your program.

d. **Get help from the provider network**
Encourage providers to help recruit other providers. They probably know best who is caring for children in your community.
- ask providers for referrals at home visits.
- arrange for several active providers to meet and brainstorm ways to reach more people.
- solicit donations from local merchants to recognize providers who recruit others and to welcome new providers to your sponsorship.
- send in a news release to the local paper telling the community about the donation a local merchant made to your efforts. Follow-up with a copy of the article to the merchant.
- encourage provider networks. Start a family day care provider support group.
- encourage experienced providers to mentor new providers. Experienced providers offer terrific help in setting up the day care home, arranging a daily schedule, planning joint events, and assisting with paperwork.

11. **Effective program literature**
Be sure your print material, flyers, posters, and brochures, are self explanatory and simple.

    a. Make sure those who read them know the benefits of your association or agency.

    b. Use as few words as possible.

    c. Always use the non-discrimination clause on print materials.

    d. Try tear off telephone contact numbers to increase calls from your promotion.

    e. Make contact with an individual when leaving program literature. Materials left out on a counter will not be as effective as personalized contact.

12. **Allowable outreach expenses**
CACFP administrative funds can be used to advertise for new providers, pay for outreach staff salaries and expenses, and purchase supplies for outreach.

13. **Disallowed outreach expenses**
CACFP administrative funds cannot be used for recruitment incentives.

~ Chapter 7 Section C~

Ohio Department of Education Policies and Guidance Provider training

Federal regulations require sponsors to train providers before they begin participation in the program and to offer at least one CACFP or nutrition related training for family day care providers each year. ODE recognizes that new providers have very different needs from more experienced providers. When possible those with more experience should be encouraged to assist with training. To meet individual needs, ODE recommends offering providers a variety of training opportunities at various locations and times each year. Sponsors may establish their own minimum training requirements that surpass federal regulations.

1. **New providers, preapproval training**
   Sponsors must adequately train providers before providers can begin to claim children's meals. This initial training is often one-on-one. Occasionally, small group orientation meetings are possible.

2. **On-going providers, annual training**
   a. Every sponsor must offer at least one annual training in CACFP policies and procedures, meal pattern requirements, or nutrition. Supplies and resources may be purchased for this mandatory training.

   b. Sponsors may offer additional optional training in infant/child cardio-pulmonary resuscitation, small business management, and taxes. Supplies and resources may be purchased for this optional training.

   c. Each provider must attend at least one CACFP training annually. Training meetings are held in small to large group settings. Some sponsors tape training sessions for providers who are unable to attend. Others offer home study kits. These methods are acceptable, however, providers should be strongly encouraged to attend regular group sessions as much is learned from the members. The networking that occurs has a positive impact beyond the immediate training session.

3. **Training offered by other sponsors**
   a. A sponsor cannot delegate responsibility for meeting the annual mandatory training requirement to another sponsor or organization.

   b. Sponsors may cooperate with one another to offer joint sessions.

c. A sponsor may accept a training session offered by another sponsor for a particular provider.

d. When a sponsor accepts the training offered by another sponsor, a system must be in place to transfer information about the date, location, content, trainers, and length of training.

4. **Approved topics for mandatory training***
When developing a program to meet mandatory training requirements be sure each session includes some information specified in the federal regulations related to sections 7CFR 226.16, 226.18, and 226.20.
Approved topics for mandatory training include:
   a. CACFP policies and procedures, nutrition, meal pattern and record keeping requirements, reviews, reimbursement, and participation policies

   b. Food buying, preparation, service, and storage

   c. Health and safety issues of food as related to children

When planning training keep in mind the best sessions are those that encourage participation. Providers have a wealth of knowledge and should be encouraged to take an active role presenting materials and sharing experiences.

5. **Training new providers, suggested topics**
   a. Planning nutritious meals using the CACFP guidelines*
   b. Portioning foods: what "enough" looks like*
   c. Making the most of the food budget*
   d. Label reading*
   e. Food safety and sanitation*
   f. Small business practices for family day care
   g. Income taxes and family day care
   h. Red Cross communicable diseases
   i. Red Cross first aid and safety
   j. Infant/child cardio-pulmonary resuscitation

6. **Training experienced providers, suggested topics**
These topics should be developed so the information relates to Child and Adult Care Food Program procedures and nutrition requirements.
   a. Food preparation: tricks with small appliances*

   b. Creative cooking - leftovers, cook-ahead casseroles, crockery cookery*

   c. Nutritious and creditable snacks*

   d. Understanding children's growth patterns and food needs -helping the picky eater try foods*

   e. Teaching children to cook*

   f. Helping children learn table manners*

** Topics approved for CACFP mandatory annual training*

7. **Topics not approved for training**
General topics unrelated to the federal guidelines for the program do not meet CACFP training requirements. For example, general child growth and development, discipline, and crafts do not qualify as approved CACFP training topics.

8. **Training documentation**
Sponsors must document the date, location, topic, participants and trainer for each session held. Attach the agenda to the documentation.

9. **Qualified trainers**
Trainers should be persons well-versed and experienced in the topic being addressed. The following are recommendations for persons who can offer training:
   a. Family day care providers who have special skills, talents, and experiences

   b. Persons with Child Development Associate credentialing

   c. Professional staff at the county cooperative extension service, the health department, local hospitals, departments of human services, county and district Internal Revenue Service, and the American Red Cross

   d. Home economics teachers, college instructors, early childhood education teachers with advanced degrees

   e. Head Start trainers

   f. Business or other professional and paraprofessionals skilled in child care, nutrition, health, safety, or business aspects of family day care

10. **Claiming meals while at training**
Providers may be reimbursed for children's meals and snacks while they attend a training session related to the operation of their day care business under the following circumstances:
   a. When the children are with the family day care provider during the time of the meal, the caregiver has provided the food, and all the meal components are present in appropriate quantities.

   b. When an alternate or substitute caregiver is used:
      - a certified provider who uses a substitute caregiver in his/her own home, may claim meals if the county has approved the substitute caregiver and the specific situation. Note: When children are being cared for in another approved provider's home additional child enrollment forms must be signed by the parent and received by the sponsor. The sponsor must have enrollment forms for the same child(ren) in both providers' files.

- an alternately approved provider who uses a substitute caregiver in his/her own home, may claim the meals if the alternate caregiver is an approved provider (with an ODE approved 009), is a member of the provider's household, is at least 18 years of age, and all the meal components are present in appropriate quantities.

11. **Non-approved substitute care**
Meals cannot be claimed while a provider attends training if the substitute or the home has not been certified, licensed, or alternately approved.

12. **Allowed training expenses**
    a. CACFP administrative funds may be used for trainers, facility costs, supplies for demonstrations, and educational materials when training is directly related to program requirements.

    b. CACFP administrative funds can be used to pay for the operation of agency vehicles to transport providers to training when training is directly related to program requirements.

    c. When training includes some information directly related to CACFP policies and procedures, a portion of the cost associated with the training (supplies, trainer, meeting room) may be claimed.

13. **Disallowed training expenses**
    a. CACFP administrative funds cannot be used for entertainment, gifts, incentives, or parties.

    b. CACFP administrative funds cannot be used to reimburse providers for transportation costs to attend training such as bus or cab fare or gasoline.

14. **No fees may be assessed for CACFP training**
Sponsors may not charge a provider for technical services relative to the Child and Adult Care Food Program.

15. **Fees may be assessed for services unrelated to the CACFP**
Sponsors may assess a fee for services that are not related to the Child and Adult Care Food Program (for ex., advice on parenting), but the provider's reimbursement check cannot be adjusted to pay for the fee, and the provider cannot be required to participate.

Ohio Department of Education Policies and Guidance
Support services

Family day care providers often operate in isolation with little support and positive reinforcement from the outside world. Much can be done to help providers grow professionally and personally. Sponsors are encouraged to give this support through the following:

1. **Provider handbooks**
   Distribute a family day care provider handbook that details the basics of the program for your agency.

2. **Provider networks**
   Encourage providers to network with one another at training sessions and on their own. Help them become involved in their own professional organizations. Share information about the National Association for the Education of Young Children, the National Association of Family Day Care Providers, and the Child Development Association National Credentialing Program.

3. **Sponsor newsletters**
   Offer a sponsor newsletter or other method of on-going, positive communication with providers.

4. **Provider involvement**
   Encourage providers to contribute to sponsor newsletters, training efforts, and program planning.

5. **Allowable expenses for provider support**
   CACFP administrative funds can be used to reimburse providers who speak at trainings or give the sponsor other assistance related to training. An honorarium may be paid for their time. In addition, the sponsor may reimburse mileage and meal costs at the agency rate for a provider who acts as a trainer. The cost, hours, and services must be documented.

~ Chapter 8~

Child and Adult Care Food Program
Provider monitoring
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Federal Regulations
Provider monitoring

§226.16 Sponsoring organization provisions.

(d) Each sponsoring organization shall provide adequate supervisory and operational personnel for the effective management and monitoring of the program at all child care and adult day care facilities under its jurisdiction. At a minimum, such program assistance shall include:

(1) Pre-approval visits to each child care and adult day care facility for which application is made to discuss program benefits and verify that the proposed food service does not exceed the capability of the child care facility;

(4) Reviews of food service operations to assess compliance with meal pattern, record keeping, and other program requirements. Such reviews shall be made not less frequently than:

(ii) Three times each year at each day care home, provided at least one review is made during each day care home's first four weeks of program operations and not more than six months elapse between reviews. However, based on case-by-case findings by the state agency that improved efficiency and more effective management will result and subject to FNSRO approval, State agencies may allow some or all of their sponsors to conduct reviews an average of three times each year per day care home, provided that each day care home is reviewed at least twice each year, at least one review is made during each day care home's first four weeks of Program operations, and no more than six months elapse between reviews;

(e) In addition to records required under §226.15 (e), each sponsoring organization shall maintain the following:

(1) Information concerning the dates and amounts of disbursements to each child care or adult day care facility;

(2) Information concerning the location and dates of each child care or adult day care facility review, any problems noted, and the corrective action prescribed and effected.

§226.18 Day Care Home Provisions

(10) (d) Each day care home participating in the program shall serve the meal types specified in its approved application in accordance with the meal pattern requirements specified in §226.20. Menu records shall be maintained to document compliance with these requirements. Meals shall be served at no separate charge to enrolled children;

(e) Each day care home shall maintain daily records of the number of children in attendance and the number of meals, by type, served to enrolled children. Payment may be made for meals served to the provider's own children only when (1) such children are enrolled and participating in the child care program during the time of the meal service, (2) enrolled nonresident children are present and participating in the child care program and (3) providers' children are eligible to receive free or reduced price meals. Reimbursement may not be claimed for meals served to children who are not enrolled, or for meals served at any one time to children in excess of the home's authorized capacity or for meals served to providers' children who are not eligible for free or reduced price meals.

(f) The state agency may not require a day care home or sponsoring organization to maintain documentation of home operating costs. The state agency may not require a sponsoring organization to provide family size and income data on children enrolled in homes under its jurisdiction except in the case of providers' own children for the purpose of determining the eligibility of such children for program participation.

~ Chapter 8 Section B ~

Ohio Department of Education Policies and Guidance
Provider monitoring: standard operating procedures

It is a sponsor's responsibility to monitor and conduct timely home visits of all family day care homes. Federal regulations require a preapproval home visit prior to participation, one home visit in the first four weeks of program participation, and two additional home visits in the first year, with no more than six months between the visits. Federal regulations also require three home visits per year for on-going providers, with no more than six months between visits. In Ohio, at least one of the home visits must be unannounced. The unannounced visit may or may not be at meal service.

These are minimum standards. Many providers require more frequent visits either for assistance with CACFP requirements or to more closely monitor the meal service and claim. Sponsors should make every effort to be supportive of providers and use teaching methods and materials that will help them succeed. This chapter of the manual offers specific policies and guidance to help assure program compliance. It includes three sections:

- Standard operating procedures
- Clues about home visits
- Follow-up monitoring required for specific situations (chart)

1. **Preapproval requirements**
   Providers must be county certified, licensed, or have met all alternate approval requirements and inspections prior to program participation.

2. **"Grace" period**
   The first two months of program participation are considered a time for learning. There are no disallowances for record keeping or menu violations during this time.

3. **Enhanced training/mentoring**
   Some providers will require more intense training and assistance to be successful in meeting program requirements. Introducing these providers to another more experienced provider who can function as a mentor and guide may be helpful. Enlisting the assistance of other family members with record keeping, menu planning, and meal preparation may be necessary. ODE recommends working intensively with providers in this manner for up to four months. Beyond four months creates an unreasonable administrative burden. Sponsors should be certain educational materials and methods are appropriate for the provider involved.

4. **Menu and attendance disallowances**
After the two month "grace" period meals should be disallowed when
   a. Menus do not meet program requirements, meal components are missing, or served in inappropriate quantities.

   b. Menus or attendance records are not up-to-date at the time of the home visit. Menu and attendance records are to be kept daily. The disallowance includes all meals when one or both records are not available.

   c. Attendance is recorded before the meal has been served. If the attendance is recorded before a child has actually been served the meal, that meal, and all others not yet served but recorded must be disallowed. Please note, menu plans may be completed before a meal is served. Be sure the provider notes any menu changes when the food served varies from the planned menu.

   d. Children present at the time of the home visit do not match the children being claimed or enrollment forms are not on file for the children present.

   The sponsor should use these situations as an opportunity to train the provider. In addition, when making a disallowance the home visitor should cross off all meals in question on the official meal attendance record and put his or her initials after the disallowance. A note of the action should be made on the home visit report and the home visitor should provide written documentation of the action to the person who reviews the claim, so that the meals are not inadvertently paid.

5. **Deliberate misclaims**
Deliberate misclaims occur when a provider claims meals or snacks for financial gain for children who were not in attendance. Deliberate misclaims demand termination from program participation.

6. **Types of home visits**
   a. **Preapproval home visit**
   Visit(s) with a new family day care provider prior to program participation to explain the basics of the program. Much must be taught and more than one visit may be needed. The length of these visits will vary, but most will require at least 1 -2 hours. At a minimum the provider must:
   - understand his or her rights and responsibilities as a family day care provider in the CACFP
   - understand and sign the CACFP contract
   - understand what encompasses creditable meals and snacks for the children
   - be able to complete attendance records, menus, enrollment forms, and the income eligibility form, when appropriate

- know when all paperwork is due and where it is to be sent
- know what to do if child abuse or neglect is suspected
- and, ideally, have contact with a specific staff person and another family day care provider for support

b. **Home visit in the first claim month (28 day visit)**
The sponsor must visit with a new family day care provider within the first 4 weeks that s/he records and claims meals. This visit is to address any questions s/he may have about the program and ascertain if regular home visits will be adequate, or if more frequent follow-up visits will be required. **If in doubt, begin monthly visits to correct the problem.**

There are no disallowances for record keeping or menu violations during the first two months of program participation.

c. **Regular home visits**
Visits that are required a minimum of three times in a 12 month period for those providers having no difficulty following program guidelines and requirements. Visits should be at least 30 minutes in length. They should be scheduled no more than six months apart and the days and times of the visits should vary so that a sample of all meals claimed for reimbursement is observed. At least two of the three visits must be at a meal service. Providers should not be aware of the exact time or day a home visit is planned. These visits are intended to monitor the meal service and observe the day care situation.

What to do at a Regular Home Visit

- **be sure to record all observations and recommendations on the home visit report form**

- **check meal attendance records and menus**
If either menus or attendance records are not up-to-date, meal reimbursement must be disallowed. The disallowance includes all meals for which there are no records. If the attendance is recorded before a child has actually been served the meal, that meal and all others not yet served but recorded must be disallowed. However, menus may be completed before a meal is served. Be sure the provider notes any menu changes when the food served varies from the planned menu.

- **discuss menu errors**
Use the time at the home visit to help the provider with menu planning and with any problems s/he may be having with menus.

It may help when correcting menus and teaching about the food guidelines to use several different colors of marking pens. For example, highlight problems with fruit or vegetables in green, meat in red, milk in blue, and bread or cereal in brown. Bring examples of creditable meals and snacks, use Dairy Council Food Models to help plan meals and snacks, bring recipes to help the provider plan creditable meals.

- **check the attendance**
  The full names and ages of the children present should be compared with the children claimed on the attendance record and with the approved enrollment forms. If the children present do not match the children claimed or if there are no enrollment forms for the children present, the meals must be disallowed.

- **observe the care of the children and the cleanliness of the home**

- **monitor group size**
  Type B Family Day Care Home Certification Rules must be followed in regard to group size for all providers participating in the CACFP including certified, licensed, or alternately approved homes. Problems with group size should be referred to either the county department of human services for county certified homes or to the district office of the department of human services for alternately approved or licensed homes. *CACFP participation must be terminated upon the second violation of group size for all providers.*

- **plan more frequent follow-up visits when any problems are found at the home visit**

- **in addition to monitoring at the regular home visit, take time to**
  Be supportive Take time to be a friend. Caring for children can be a lonely job. It's nice to be appreciated and have another adult to talk with.

  Minimize distractions Bring along items to help "entertain" the children, special paper or educational materials to color, a tape to listen to, or blocks to play with all are helpful.

  Stay in touch Follow-up with a personal note to the provider after your visit. Comment on the positive as well as on areas needing improvement.

Foster positive relationships
Share free items that would be of interest to providers at your home visits. Contact local merchants for donations of crayons, markers, paper, or books.

d. **Follow-up home visit**
This visit is made when the sponsor finds problems at a regular home visit or any time the provider seems to need additional assistance. Such action must be documented in writing.

Most follow-up visits should be unannounced and the day and time of the visit should vary so that a sample of all meals claimed for reimbursement is observed. Visiting during evening and weekend meal service is especially important.

Follow-up visits should be made every few weeks until the situation is resolved. Most situations should be resolved within four months.

ODE recommends future visits continue to be unannounced and more frequent than three times a year in cases where the sponsor has a concern that the claim is being misrepresented, but is not able to substantiate the concern.

Sponsors are encouraged to have reasonable expectations of providers. In many cases the home visits can be a time for providing additional information and support so the provider can succeed.

7. **The home visit report**
All visits must be documented by a written report even when the provider is not at home.

Home visitors must be careful to accurately report meal service and children observed so that any disallowance made is fair. The home visit report should include

a. Arrival and departure time

b. Accurate and detailed written observations of the home situation to verify accuracy of the claim and the children present

c. A list of all foods served with observations about quantity provided and acceptance

d. Comments about the quality of recordkeeping and menu planning

e. The full names and ages of all the children in the home, including those sleeping, playing in the yard, etc.

f. Notations about the cleanliness of the home and the quality of care

g. The provider's signature to verify the visit was made

A copy of the report should be left for the provider even when the provider is not at home.

8. Types of home visits required

Provider Situation	Preapproval Training Visit	First Claim Month Home Visit	Regular Home Visit	Follow-up Home Visit
1.New provider	X	X	X	
2.Renewal provider/ inactive 1-9 months		X	X	
3.Renewal provider/ Inactive 9+ months	X	X	X	
4.On-going provider regular claims, no problems			X	
5.Provider claiming irregularly			X be sure to document inactive months and visit the provider in the first claim month of renewed participation	
6.Provider experiencing problems			X	X

9. **Cross-checking claims and home visit reports/observations**
Sponsors should routinely compare a sample of the home visit reports with the claims sent in by providers to help assure compliance. When there is a concern about claim accuracy, the home visit reports should always be compared with the claim.

10. **Verifying the claim**
Differences in children reported or claimed from what was observed at the home visit should be followed up with parents/guardians or, in the case of a child whose day care is supported by public funds, with the county department of human services to determine whether the child was in the provider's care. Phone calls or letters verifying attendance are appropriate. Accurate and complete documentation of phone conversations and of correspondence is essential.

Sponsors should also verify doctor's appointments, meetings, and other appointments when in doubt about the attendance of the children or the care being provided.

Any time attendance cannot be verified, the meals are to be disallowed.

Differences in food reported on the monthly menu records sent for payment from what was observed at a home visit are to be disallowed.

11. **Adjusting past claims**
When there is any question about the validity of a claim, the sponsor should review all claims for the past fiscal year. Parent/guardians should be asked to verify attendance of their children and, in the case of county certified homes, the county department of human services should be asked to verify past attendance. If past claims show meals were claimed when the children were not present, deduct the overclaim from the current claim or set up a repayment schedule with the provider for the overclaims that cannot be deducted from payments currently owed. The repayment plan should be documented in writing.

12. **Withholding payment**
Payment of a claim to the provider may be withheld until the sponsor determines the claim is valid. The sponsor may pay the portion of the claim that is valid and withhold payment of any part that is not legitimate.

13. **Denying payment**
Payment of part or all of a claim may be denied when it is documented that the claim information is not valid.

14. **Suspending payment**
A provider may be suspended from program participation when:
    a. an investigation of child abuse or neglect is in progress
    b. claims are being reviewed for accuracy

c. deficiencies are being corrected.
d. program standards are not met

Please see the chapter *Payment withholding, suspension, termination, and appeal* for more specific information about suspension.

15. **Sponsor responsibility for provider misclaims**
The sponsor may be released from the financial responsibility of reimbursing ODE for an overpayment to a provider who has misclaimed, if the sponsor has followed all ODE policies and guidance fully and has documented efforts to secure payment from the provider for the misclaim.

16. **Terminating participation**
Providers may be terminated from program participation for deliberately misrepresenting the claim, for any situation that impacts on the health and safety of the children, or for other causes. §226.6 (n) requires immediate termination from program participation whenever imminent danger to the health and safety of the children is involved.

Providers may also be terminated from program participation "for convenience." The Ohio Department of Education must be involved in such situations and must give final written approval for any terminations for convenience.

Terminations for cause continue for 36 months after the termination date. Terminations for convenience continue as long as the situation exists.

Please see the chapter *Payment withholding, suspension, termination, and appeal* for more information about termination from program participation.

17. **Contacting the county or district office of the department of human services**
Whenever there is a concern about the number of children in care in certified homes, the county department of human services is to be contacted. When there is a concern about group size in alternately approved or licensed homes, the appropriate district office of the department of human services should be notified. Caring for more children than are allowed in the Type B Certification Rules breaks Ohio Day Care Licensing Law and the appropriate county or district office of the department of human services are authorized to investigate. The provider's participation in the CACFP is to be terminated on the second violation of group size.

18. **Contacting children's services**
When there is any concern about the health or safety of the children, sponsors are required, by law, to report the situation to children's services. When the report is made by phone, it should be followed up with a letter documenting the situation. It is the responsibility of children's services to investigate allegations of neglect or child abuse. Give as much information as possible with specific names, dates, and situations. Always follow-up with children services about the status of the investigation.

19. **Communicating with parents/ guardians**
Parents and guardians should be aware of the status of the family day care provider in the CACFP.
   a. When the provider begins participation, parents/guardians must sign enrollment forms for their children and receive a letter informing them of their provider's participation in the CACFP. The letter may be sent either directly from the sponsor or through the provider.

   b. When there are problems the parents/ guardians should also be notified.
      - in cases of provider termination from the program, parents/guardians should be sent a note informing them their provider is no longer participating in the CACFP. Do not discuss details.
      - in cases where the health and safety of the children is in question, or in other instances where a report may have been filed with children's services, the parents/guardians should be immediately referred to children's services to discuss the situation. The sponsor should not share details of the situation.

20. **Provider audits/additional communication with parent/guardians**
To further promote program integrity, sponsors are encouraged to conduct annual audits of a small percentage of participating family day care providers. Providers should be selected at random representing the diverse geographic area of the sponsorship. To conduct routine provider audits
   a. Contact the parents of all enrolled children either by phone or letter. Be non-threatening and assure the parent you are seeking imput to improve the program.

   b. Verify information about child enrollment and attendance.

   c. Ask the parent for input on meals and snacks. "What types of meals and snacks are served?" "Are you satisfied with the meals?" "Does your child come home hungry?"

   d. Ask the parent if they are required to bring food or pay extra for the meals.

   e. Give the parent ample opportunity to add additional information.

When there is a question about child enrollment, attendance, or meal service, begin follow-up monitoring visits.

~ *Chapter 8 Section C* ~

Ohio Department of Education Policies and Guidance: Clues about home visits

Clues that all is well at home visits:

1. The provider, or an approved substitute, is home when meals are usually claimed.
2. The number of children present match what is usually claimed.
3. The children who are present match the enrollments in the file. Take a copy of the enrollment forms when visiting to match children with forms.
4. The provider is happy to see you and you feel welcome in the home.
5. Meal service is on time and the provider seems to have control of the situation.
6. The home is comfortable and clean.
7. The children appear to be happy and active.
8. Menu and attendance records are available and up-to-date.
9. The menu and attendance records turned in at the end of the month match what is observed at the home visit.

Clues that there may be problems:

1. The provider claims the maximum number of meals and snacks for the children enrolled each month. For example, if s/he cares for 6 children, all six children are claimed 5 to 7 days each week and each eats 2 meals and 1 snack each day.
2. Weekends and holidays are consistently claimed.
3. The provider claims all meal types each day.
4. Children who are regularly claimed for meals are not present at home visits.
5. The provider submits a claim with exactly the same meals and snacks claimed for the same children each month.
6. The provider signs enrollment forms for the parents.
7. When you visit, someone appears to be home, but no one will answer the door.
8. There is a discrepency between what is observed at a home visit and the claim submitted. Either the menu or the children claimed are different from the observation.
9. You observe or suspect the presence of alcohol or drugs in the home.
10. The home situation makes you feel uncomfortable. You question the provider's ability to care for the children or to be honest with the claim and meal.

Ohio Department of Education Policies and Guidance
Follow-up Monitoring Required for Specific Situations

All situations assume:

- on-going providers who have completed preapproval training, the first claim month home visit, and the two month "grace" period
- weekly or monthly follow-up visits until the situation is resolved. Most all situations should be resolved within four months.
- county department of human services staff are informed of any problems or difficulties occuring in county certified homes
- others involved in the child care situation are appraised of any problems.

Read section B of this chapter for definitions and more specific information about each of the actions below.

Provider Situation	Enhanced training/ mentoring	Disallow meals	Cross-Check Claims	Verify Claim	Contact Children's Services	Communi-cate with Parents...	Adjust Past Claims	Contact County DHS	Contact District DHS	Withhold Payment	Deny Payment	Suspend/ Terminate
1. The provider is having difficulty many paperwork errors.	x	x	x					x		If errors continue	If errors continue	suspend or terminate after 4 mo.
2. The provider fails to serve foods required by the CACFP.	x	x	x					x		If errors continue	If errors continue	suspend or terminate after 4 mo.
3. The provider's home is unclean not unsafe.	x							x				suspend or terminate after 4 mo.
4. Children are in imminent danger.		x			x	x		x			x	immed. termination
5. Attendance records or menus are not up-to-date.	x	x	x	x				x		If errors continue	If errors continue	suspend or terminate after 4 mo.

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6.Attendance records are completed before the meal is served.	x	x	x	x				x		if errors continue	if errors continue	suspend or terminate after 4 mo.
7. Too many children are present/licensing laws are violated.	x	x	x	x				x	in licensed/ alternately approved homes	if situation continues	if situation continues	suspend or terminate after 2nd violation
8.Claims have "perfect" attendance or meals are claimed 7 days a week, or there are shifts of day care.	x		x	x			if provider misclaimed meals	x		until sure of claim accuracy	if provider misclaimed meals	terminate if provider misclaimed meals
9.Staff are concerned about claim accuracy.	x		x	x			if provider misclaimed meals	x		until sure of claim accuracy	if provider misclaimed meals	terminate if provider misclaimed meals

Follow-up Monitoring Required for Specific Situations

All situations assume:

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10.The provider frequently cancels appt.s or is not at home.	x		x	x			If provider misclaimed meals	x		until sure of claim accuracy	If provider misclaimed meals	terminate if provider misclaimed meals.
11.It appears someone is home but no one will answer the door.		x	x	x		x	If provider misclaimed meals	x		until sure of claim accuracy	If provider misclaimed meals	terminate if provider misclaimed meals
12.You feel uncomfortable about a provider's claim or about the care given the children.	x		x	x	If there are serious concerns about health and safety	If children's services is contacted	If provider misclaimed meals	x		until sure of claim accuracy and care given	If provider misclaimed meals or if there was abuse	terminate if provider misclaimed meals or if there was abuse
13.No children are present at the time of the home visit.	x	x	x	x			If provider misclaimed meals	x		until sure of claim accuracy	If provider misclaimed meals	terminate if provider misclaimed meals

Follow-up Monitoring Required for Specific Situations

All situations assume:

- on-going providers who have completed preapproval training, the first claim month home visit, and the two month "grace" period
- weekly or monthly follow-up visits until the situation is resolved. Most all situations should be resolved within four months.
- county department of human services staff are informed of any problems or difficulties occuring in county certified homes
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Read section B in this chapter for definitions and more specific information about each of the actions below.

Provider Situation	Enhanced training/ mentoring	Disallow meals	Cross-Check Claims	Verify Claim	Contact Children's Services	Communi-cate with Parents...	Adjust Past Claims	Contact County DHS	Contact District DHS	Withhold Payment	Deny Payment	Suspend/ Terminate
14Children who do not match enrollment forms are present.	x	x	x	x			If provider misclaimed meals	x		until sure of claim accuracy	If provider misclaimed meals	terminate if provider misclaimed meals
15.You suspect child abuse or neglect by the provider or some-one in the provider's home.	x		x	x	x	x		x		while investi-gation continues	If abuse or neglect is found	terminate if abuse or neglect is found
16.Child abuse or neglect is suspected by a person in the child's home.					x							

~ Chapter 9 ~

Child and Adult Care Food Program
Payment withholding, suspension, termination, and appeal
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~ Chapter 9 Section A ~

Federal Regulations
Payment withholding, suspension, termination, and appeal

§226.18 Day care home provisions.

... the agreement (between the sponsor and the provider) shall embody:

(b) (8) The right of the sponsoring organization or the day care home to terminate the agreement for cause or, subject to stipulations by the State agency, convenience;

(e) Each day care home shall maintain daily records of the number of children in attendance and the number of meals, by type, served to enrolled children. Payment may be made for meals served to the provider's own children only when (1) such children are enrolled and participating in the child care program during the time of the meal service, (2) enrolled nonresident children are present and participating in the child care program and (3) provider's children are eligible to receive free or reduced price meals. . Reimbursement may not be claimed for meals served to children who are not enrolled, or for meals served at any one time to children in excess of the home's authorized capacity or for meals served to providers' children who are not eligible for free or reduced price meals.

~ Chapter 9 Section B ~

Ohio Department of Education Policies and Guidance Payment withholding, suspension, termination, and appeal

Federal regulations outline what happens when sponsors are deficient in managing the program, or when they claim reimbursement that is not valid, but the regulations do not address in great detail what the sponsor is to do when a provider is deficient in feeding the children or claiming payment. This chapter of the manual details ODE policies to follow when it becomes necessary to withhold payment, suspend, or terminate a provider's participation in the program.

1. **Withholding payment**
   Sponsors may withhold payment to a provider pending
   a. Verification of claim accuracy
   b. Final determination of a child abuse and neglect investigation
   c. Successful completion of required home visits
   d. Attendance at required annual training
   e. Successful completion of required alternate approval inspections or certification/ licensing requirements
   f. Determination of program violations when under investigation by certifying or licensing agencies
   g. Receipt of income eligibility applications

2. **Provider suspension from the CACFP**
   Suspension may be used to give a provider a break in participation to correct inappropriate situations. The application is still considered valid if the suspension begins and ends in the same fiscal year. In this case the application would not need to be renewed to reinstate the provider.

The following circumstances might require suspension

a. Provider is being investigated for child abuse or neglect.

b. Claims are being reviewed for accuracy; deliberate misrepresentation for financial gain is questioned.

c. Claims are inaccurate without deliberate misrepresentation for financial gain.

d. Home conditions are unsanitary.

e. Provider has repeated difficulty with paperwork.

f. Provider fails to attend annual training. If the provider refuses to attend the required training, participation must be terminated.

g. Provider is tardy in arranging required inspections for an alternately approved home or certification in a county certified home. If a provider does not pass the required inspections, participation in the program may be suspended or terminated.

3. **Provider termination from the CACFP "for cause"**
Termination involves revocation of the provider's application. Termination is required in situations that place the children's health and well-being in serious jeopardy, or if the claim has been willfully misrepresented for financial gain. Providers must be terminated from the Child and Adult Care Food Program "for cause" under the following circumstances:

a. Imminent danger to the children which includes anything so defined in certification or licensure standards, and anything a reasonable person could determine to be hazardous to children's health and safety. Imminent danger to the children demands immediate termination of the provider's participation and a report to children's services.

b. Not maintaining a safe and healthful environment for the children.

c. Revocation of certification, or Type A or foster care licensing from the department of human services.

d. Failure to pass any of the required inspections for alternately approved homes (in some circumstances the sponsor may choose to suspend and not terminate the provider's participation).

e. Submission of false information to the sponsor.

f. Failure to keep daily records by children's names, and submit in a timely manner attendance records, menus, and enrollment forms, and when appropriate, income eligibility information (in some circumstances the sponsor may choose to suspend and not terminate the provider's participation).

g. Repeatedly claiming meals which do not include the required quantities of all meal components after written warnings.

h. Failure to promptly inform the sponsor of changes in child enrollments, mealtimes, and home approval or licensure status.

i. Making intentional misclaims to the sponsor concerning
   - the number of children enrolled in the home
   - the days of operation
   - the number of meals actually served to enrolled children.

j. Participating with more than one sponsor at the same time.

k. Misreporting the provider's family income.

l. Failure to attend annual training.

m. Inaccessibility for the required home visits.

n. Noncompliance with Civil Rights requirements.

o. Failure to comply with the Child and Adult Care Food Program agreement.

4. **Procedure to follow when it has been determined a provider is to be terminated "for cause" from the program**

   a. Sponsors must be certain to follow whatever written procedures they have established when terminating a provider's participation.

   b. The termination becomes effective whenever all documentation is finalized and appeals are concluded. This may occur mid-month.

   c. All situations causing the termination must be adequately documented.

   d. All correspondence sent to the provider during an investigation should be sent certified mail, return receipt requested.

   e. The current claim should be adjusted for any over-payment and/or a repayment schedule should be arranged.

   f. The provider must be notified, in writing, informing him or her of the termination. The letter must include

- general reason for the termination
- date the termination is effective
- information on claim adjustment or payment due
- signature of the administrator of the sponsoring organization or program.

g. A copy of the termination letter must be sent to the Ohio Department of Education and to the county department of human services for county certified homes.

h. Sponsors must keep a copy of all correspondence and pertinent information in the provider's file.

i. Sponsors must also keep a copy of all correspondence and pertinent information in a central file so the provider whose participation is terminated is not reinstated by accident.

5. **Provider termination for "convenience" from the CACFP, with state agency approval**
Situations that might result in termination "for convenience" include
   a. Problems with record-keeping and compliance with program requirements which are indicated by the records the provider submits but may be impossible to verify. (The provider may be serving only relatives. Parents may be afraid of retaliation. Corroborating information may be with an agency who cannot divulge it because of privacy requirements, etc.)

   b. Problems related to supervision of the home:
      - the provider has moved from the sponsor's service area and the sponsor does not want to open a new service area
      - it costs more to supervise the provider than the sponsor can regain through the administrative rate
      - the provider is consistently rude and inconsiderate to the home visitor and/or other staff
      - the home situation or surrounding is unsafe for the home visitor

   Note: A "feeling" that a provider is out of compliance is not an acceptable reason to terminate for convenience.

6. **Procedure to follow when it has been determined a provider is to be terminated "for convenience" from the program**
   a. The state agency must be contacted for approval prior to initiating the process.

   b. Reasons for the termination must be documented, in writing, to the state agency.

c. Sponsors must be certain to follow whatever written procedures they have established when terminating a provider's participation.

d. All situations causing the termination must be adequately documented.

e. All correspondence sent to the provider during an investigation should be sent certified mail, return receipt requested.

f. The provider must be notified, in writing, informing him or her of the termination. The letter must include:
   - reason for the termination
   - date the termination is effective
   - information on claim adjustment or payment due
   - signature of the administrator of the sponsoring organization or program.

g. A copy of the termination letter must be sent to the Ohio Department of Education and to the county department of human services in county certified homes.

h. Terminations "for convenience" are effective on the first day of any given month.

i. Sponsors must keep a copy of all correspondence and pertinent information in the provider's file.

j. Sponsors must also keep a copy of all correspondence and pertinent information in a central file so the provider whose participation is terminated is not reinstated by accident.

7. **Provider termination by the state agency during a program review**
According to §226.6 (m), the state agency must promptly investigate complaints received or irregularities noted in the operation of the program and must take appropriate action to correct them. §226.6 (n) further states: All homes receiving alternate approval must be in compliance with CACFP standards. Violations noted on administrative reviews by the state agency must be corrected by the sponsor within 60 days of receiving written notification from the state agency. If violations are not corrected, the state agency shall terminate CACFP participation of the violating home or agency. However, if the health or safety of the children is imminently threatened, the state agency may immediately terminate participation of the home.

   In homes approved by other agencies, e.g. departments of human services, foster licensors, the state agency must refer the violations of health, safety, staff-child ratios or attendance in excess of licensed capacity to the approving/licensing agency.

8. **Reinstatement after termination**
Terminations "for cause" require denial of program participation for 36 months after the termination date. Based on past experience with a provider, the sponsor may continue to deny the provider's application after this period. Terminations "for convenience" will last as long as the reason of convenience exists.

9. **Appeal**
Federal regulations do not require a sponsor to offer providers the right to appeal withholding of payment, suspension or termination from participation in the program. However, in affording fair treatment, ODE strongly encourages sponsors to establish procedures for appeal of decisions that affect provider participation and benefits. The following guidance is based upon the appeal procedures allowed sponsors by the ODE when decisions are made that affect sponsors.

   a. **Informal discussion and resolution is always encouraged before any formal appeal is made**

   b. **ODE will not function as an appeal's board**
   ODE will support the sponsor or refer the provider with questions and concerns back to the sponsor.

   c. **Communicate the process**
   The appeal process should be made available to all providers in writing when the sponsor approves them to participate in the CACFP.

   d. **Assure a fair hearing**
   The written appeal procedure must ensure the appellant a fair and impartial hearing before an independent hearing official(s).

   e. **Actions that may be appealed**
   Sponsors must list the actions they will allow providers to appeal in their appeal procedure.

   f. **Composition of the appeal's board**
   Some organizations develop a special appeal's board composed of former and current providers and community members. Others use a committee of an already existing board.

   g. **Method of communication**
   When designing an appeals policy, keep in mind that appeals are best made in writing to whatever appeals board or group the sponsor determines appropriate. Some agencies allow for a formal hearing of the provider's concerns. Others request all information in writing

and then respond in writing. In either case, the burden is placed on the provider to state his or her case as clearly as possible, addressing the reason for the infraction(s) and the plan to assure no further infractions will occur if reinstated.

h. **Statute of limitations**
Requests for appeal should be made within a specified time after the occurance of the appealable situation. A recommended length of time is 30 days after the provider receives written notification of the sponsor's action. For this reason send the correspondence by certified mail with return receipt requested. Any appeal made after the established deadline should be disallowed.

i. **Timeline for the process**
The appeal board should acknowledge receipt of the appeal within a specified period and respond with a decision within a specified period. The following example illustrates the length of an appeal process:

- 30 days: The period in which the provider may appeal
- 15 days: The period in which the appeal's board acknowledges receipt of the appeal
- 45 days: Maximum time allowed for an agency to give a final decision.
- 90 days: Total time involved in the process.

j. **Payment for MAR's kept during the appeal period**
A provider may continue to keep menu and attendance records during the appeal period. If the appeal is upheld (decided in the sponsor's favor) the records kept during the appeal cannot be paid. If the appeal is dismissed (decided in the provider's favor) the sponsor may honor the records for payment. The 60 day deadline for submitting a claim to ODE does not apply in this situation. A revised claim must be sent for each month.

~ Chapter 10 ~

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Civil rights compliance
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~ Chapter 10 Section A ~

Federal Regulations Civil rights compliance in the Child and Adult Care Food Program

§226.6(b)(4) requires sponsors to issue a nondiscrimination policy statement and media release for application approval.

§226.6 (d)(2)(B) prohibits discrimination based on race, color, national origin, sex, age, or handicap in all alternately approved homes.

§226.6 (f)(1) State agencies shall require institutions to comply with applicable provisions of this part. Each State agency shall annually: (1) Enter into and execute a written Program agreement with each institution, or renew such agreement with the written concurrence of the institution. The Program agreement shall provide that the institution shall ... comply with all requirements of Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975 and the Department's regulations concerning nondiscrimination (7CFR Parts 15, 15a and 15b), including requirements for racial and ethnic participation data collection, public notification of the nondiscrimination policy, and reviews to assure compliance with such policy, to the end that no person shall, on the grounds of race, color, national origin, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Program.

§226.6(f)(8) ...State agencies verifying the information of free and reduced price applications shall ensure that verification activities are applied without regard to race, color, national origin, sex, age, or handicap.

§226.6(l) Program assistance. Each State agency shall provide technical and supervisory assistance to institutions and facilities to ... ensure compliance with the Department's nondiscrimination regulations (Part 15 of this title) issued under Title VI of the Civil Rights Act of 1964.

§226.15(b) Each institution shall submit to the State agency all information required for its approval. As a minimum, such information shall include: ... (5) A

nondiscrimination and free and reduced price policy statement, and information regarding a public release, in accordance with §226.23.

§226.23(b) Sponsoring organizations of day care homes (which may not served meals at a separate charge to children) and other institutions which elect to serve meals at no separate charge, shall develop a policy statement consisting of an assurance to the State agency that all participants are served the same meals at no separate charge, regardless of race, color, national origin, sex, age, or handicap and that there is no discrimination in the course of the food service.

§226.23(d) Each institution shall annually provide the information media serving the area from which the institution draws its attendance with a public release. ... The release issued by all sponsoring organizations of day care homes, and by other institutions which elect not to charge separately for meals, shall announce the availability of meals at no separate charge. ... All releases shall state that meals are available to all participants without regard to race, color, national origin, sex, age or handicap.

§226.23(e)(2) Letter to households. Institutions shall distribute a letter to households or guardians of enrolled participants in order to inform them of the procedures regarding eligibility for free and reduced price meals. The letter shall accompany the application required under paragraph (e)(1) of this section and shall contain:...(iv) The statement: "In the operation of child feeding programs, no person will be discriminated against because of race, color, national origin, sex, age, or handicap"...

For additional information sponsors are referred to:

- Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000 d to 2000 d-6
- FNS Instruction 113-4, Civil Rights Compliance and Enforcement in the Child Care Food Program, 12-16-82
- Executive Order 11764, 3A CFR 124 (1974 Compilation)
- USDA Regulation implementing Title VI of the Civil Rights Act of 1964 as amended on January 30, 1975, 7 CFR 15 Subpart A and Subpart C
- Attorney General's Guidelines for the Enforcement of Title VI, Civil Rights Act of 1964, 28 CFR 50.3
- Coordination of Enforcement of Nondiscrimination in Federally Assisted Program Regulations under Title VI of the Civil Rights Act of 1964, 28 CFR 42.401 to 42.415
- Title 9 of USDA Administrative Regulations
- USDA Regulations implementing Title IX of the Education Amendment of 1972, 7 CFR 15a
- Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112); and Age Discrimination Act of 1975 (Public Law 94-135)

~ Chapter Section B~

Ohio Department of Education Policies and Guidance Civil rights compliance in the Child and Adult Care Food Program

All eligible persons should have equal access, regardless of race, color, national origin, sex, age, or handicap to the benefits of the Child and Adult Care Food Program. Federal regulators, state agencies, local sponsors, and family day care providers must promote, implement, and evaluate the program in a manner that does not exclude any eligible persons. All involved are accountable for their actions.

The ODE and local sponsors must assure the program is offered and administered in a nondiscriminatory manner and is in compliance with civil rights requirements.

This section of the manual outlines federal requirements and ODE policies and guidance for offering the CACFP in a nondiscriminatory manner and complying with the requirements of the Civil Rights Act of 1964. Much of the information in this section has been paraphrased from FNS Instruction 113-4, Civil Rights Compliance and Enforcement in the Child and Adult Care Food Program.

1. **The CACFP must be offered in a nondiscriminatory manner to all**
   The CACFP must be offered in a nondiscriminatory manner, without regard to race, color, national origin, sex, age, or handicap to all children, parents/guardians, and family day care providers. All involved must comply with the requirements of the Civil Rights Act of 1964 and subsequent FNS Instruction 113-4.

2. **Civil Rights extend to all potential and active program beneficiaries**
   CACFP outreach efforts to potential participants and day-to-day program administration for active participants must be nondiscriminatory.

3. **Discrimination is prohibited in all aspects of the program**
   The Civil Rights Act of 1964 and subsequent FNS Instruction 113-4 require all aspects of the CACFP be carried out in a manner that is nondiscriminatory .

4. **Specific examples of discrimination**
The following examples of discrimination are prohibited in the CACFP:
   a. Excluding children from program benefits on the basis of race, color, national origin, age, sex, or handicap.
   b. Inequitably allocating program benefits or services to eligible children on the basis of race, color, national origin, sex, age, or handicap.
   c. Serving or delivering food to a place, at a time, or in a manner that denies or limits program benefits on the basis of race, color, national origin, sex, age, or handicap.
   d. Segregating children in day care homes through recruitment, referral, or enrollment systems.
   e. Selecting participating homes in a manner that limits the availability of program benefits or services on the basis of race, color, national origin, sex, age, or handicap.
   f. Inequitably applying eligibility criteria to potential participants.
   g. Maintaining a waiting list which makes distinctions on the basis of race, color, national origin, sex, age, or handicap.
   h. Failing to use or provide understandable program materials to non-English speaking persons, thereby denying them full and equal opportunity to receive program benefits and services.

5. **Official nondiscrimination and complaint procedure statement**
The following statement must be included in all media explaining CACFP benefits to eligible or participating persons:
"The Child and Adult Care food Program is open to all eligible children regardless of race, color, national origin, sex, age, or handicap. If you believe you have been treated unfairly in receiving food services for any of these reasons, write immediately to the Secretary of Agriculture, Washington, D.C. 20250."

6. **Public notification requirements to ensure all eligible persons are reached**
To ensure that outreach is made to all eligible persons, with an emphasis on minorities, ODE and sponsors must take positive and specific actions that meet the following standards:
   a. All published information concerning the program must include the nondiscrimination and complaint procedure statement. This statement must be prominently placed in all program literature. This includes, but is not limited to, all leaflets, brochures, bulletins, and newspaper, radio and television announcements concerning the program or its activities.

b. Appropriate translation of program information must be provided, upon request, to eligible non-English speaking persons. This includes, but is not limited to, application procedures, eligibility criteria, program forms, newsletters, approval information, and explanation of benefits.

c. Minority and grassroots organizations must be advised of the program's availability and the nondiscrimination policy. In addition, the state agency must give minority and grassroots organizations a listing of all institutions that participate in the CACFP in their jurisdiction upon request.

d. Any photographs or other graphics used in the program must convey the equal opportunity message by featuring individuals who represent different minority groups.

e. Parents/guardians of enrolled and eligible children must be given appropriate literature that describes program eligibility requirements, benefits, and the nondiscrimination and complaint procedure statement.

7. **Sponsor requirements for data collection to assess the effectiveness of outreach efforts**
To determine how effective a program is in reaching the targeted population, ODE annually collects from sponsors racial/ ethnic data about program participants. This information is collected as a part of the yearly program application and must include the number of actual program participants and the estimated number of potential participants in the agency's service area by racial/ethnic category.

   a. Potential participants can be determined with census data or public school enrollment information.

   b. Actual numbers of children receiving program benefits by racial/ethnic category can be determined by information reported on each child's enrollment form or by the child's appearance. The child may by included in the group s/he appears to belong, identifies with, or is regarded in the community as belonging to.

8. **Maintenance of records and privacy requirements**
Racial/ethnic data, like other CACFP program information, must be maintained for three past years and the current program year. Data must be collected and stored to prevent misuse for discriminatory purposes. Safeguards should allow access to program records only by people authorized to use them.

9. **State agency reviews to assure compliance**
ODE is required to conduct a

preaward compliance review of potential sponsors. In addition, ODE is required to conduct a civil rights compliance review of on-going sponsors and family day care homes at least once every five years. This review may occur as a part of a regular administrative or verification review.

10. **Preaward compliance review of potential sponsors**
    a. ODE must thoroughly review the application from a prospective sponsor before approval to determine whether the agency has complied with civil rights requirements. At a minimum the following are evaluated:
       - list of federal agencies providing financial support to the applicant
       - sponsor's estimate of the racial/ethnic population in the service area
       - sponsor's plan to assure that minority populations will have equal opportunity to participate in the program
       - sponsor's plan to assure minority and grassroots organizations will be contacted about the program

    b. Based on the information in a completed application, or from a telephone call to the administrator, a special on-site review may be conducted to determine civil rights compliance.

    c. ODE will notify a prospective sponsor within 15 days after the application is received if any information is missing from the CACFP application.

    d. The applicant will be notified of approval or denial of the application within 30 days of receipt of a completed application.

11. **Civil rights compliance review of on-going sponsors and family day care providers**
    The civil rights compliance review of on-going sponsors and family day care homes is conducted at least once every five years, usually as part of a regular administrative or verification review. During the civil rights evaluation, ODE reviews the agency's compliance with public notification, data collection and maintenance, and program operation requirements.

    a. **Public notification requirements include**
       - displaying the U.S.D.A. approved nondiscrimination poster in the sponsor's administrative offices
       - providing program information in appropriate languages
       - making program information available to the public upon request
       - including the nondiscrimination statement and procedure for filing a compliant on all information about the program and all activities directed to parents/guardians of eligible and participating children

b. **Data collection requirements include**
   - collecting the number of potential eligible children by racial/ethnic category for the service area each year
   - collecting the number of actual participants by racial/ethnic category for each family day care home approved by the sponsor each year
   - maintaining this information on file for three past years and the current program year

c. **Program operation requirements include**
   - allowing all family day care providers equal access to CACFP benefits regardless of race, color, national origin, sex, age or handicap
   - serving meals to all eligible children regardless of the child's race, color, national origin, sex, age, or handicap
   - allowing all children equal access to child care services and facilities regardless of the child's race, color national origin, sex, age, or handicap
   - giving parents/guardians of enrolled children appropriate literature that describes program eligibility requirements, benefits, and the nondiscrimination and complaint procedure statement

12. **Indications of the need for a civil rights compliance review**
Indicators of possible problems in civil rights compliance or the need for a review include, but are not limited to
   a. Low minority participation in a high minority population area

   b. One or more discrimination complaints filed against the sponsor or a day care provider in the past three years

   c. Findings from previous reviews by ODE

   d. Previously unreviewed sponsors or day care homes

   e. Sponsors or providers located in areas with a significant or diversified minority population (the review would document whether the sponsor and providers are making every reasonable effort to serve the minority population)

   g. Admission requirements or procedures which restrict or deny enrollment

13. **Filing discrimination complaints**
Any person alleging discrimination based on race, color, national origin, sex, age, or handicap has the right to file a complaint within 180 days of the alleged action. Under special circumstances this time limit may be extended.

All written or verbal complaints alleging discrimination must be processed within 90 days after receipt. The Office of Minority Affairs (OMA) in the midwest region has been given the authority to decide how all civil rights complaints will be handled. The OMA will prepare and issue letters of acknowledgement to the person filing the complaint.

14. **Use of the ODE civil rights complaint form**
ODE has developed a form for reporting civil rights complaints. However, the use of this form is not required to file a complaint. A sample copy is included in the appendix to this section.

15. **Verbal or telephone complaints are acceptable**
A person who refuses or is unable to put a complaint in writing, may file a verbal or telephone civil rights complaint. The person receiving the verbal complaint must write up the complaint and make every effort to secure the following information:

    a. Name, address, and telephone number or other means of contacting the person making the complaint

    b. Specific location and name of the person or agency delivering the service or benefit

    c. Nature of the incident or action that caused the person making the complaint to feel that discrimination was a factor, or an example of the method of discrimination causing a discriminatory effect

    d. Basis on which the person making the complaint feels discrimination exists (race, color, national origin, sex, age, or handicap)

    e. Names, titles, and addresses of persons who may have knowledge of the discriminatory action

    f. Date(s) during which the alleged discrimination occurred, or if continuing, the duration of action

16. **Investigation**
A complaint received by ODE is forwarded to the Midwest Regional Office. The Office of Minority Affairs, the Civil Rights Division, the Food and Nutrition Service Regional Office, and the state agency have steps to follow in investigating and resolving a complaint.

17. **Closure of the complaint file**
The Office of Minority Affairs is responsible for preparing the closing letter about the disposition of the complaint. Copies are kept on file with the state agency CACFP, the Civil Rights and Equal Employment Division, and the FNS Regional Office. The Director, OMA, is responsible for closure of all Title VI complaint files.

~ Chapter 11 ~

Child and Adult Care Food Program
Visits, reviews, and audits
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~ Chapter 11 Section A ~

Federal Regulations Child and Adult Care Food Program visits, reviews, and audits

§226.6 State agency administrative responsibilities

(c) Denial of applications and termination of institutions.
The State agency shall not enter into an agreement with any applicant institution which the State agency determines to have been seriously deficient at any time in its operation of any Federal child nutrition program. However, the State agency may enter into an agreement with such an institution when, with FNS concurrence, it determines that the deficiencies have been corrected. The State agency shall terminate the program agreement with any institution which it determines to be seriously deficient. However, the State agency shall afford an institution every reasonable opportunity to correct problems before terminating the institution for being seriously deficient. The state agency shall notify FNS whenever it has denied an application from or terminated the participation of a seriously deficient institution. This notification shall be made within 15 days of the review official's decision upholding the State's action or, if the institution elects not to appeal the decision, within 15 days of the expiration of the appeal right. FNS will maintain a list of these institutions and will notify all other State agencies of these institutions' ineligibility to participate in the program. FNS may determine independently that an institution has been seriously deficient in its operation of any Federal child nutrition program and include such institution on the list of ineligible institutions if appropriate corrective action is not taken. State agencies shall not enter into an agreement with any institution included on this list of ineligible institutions and shall terminate any participating institution included on the list within 30 days of the receipt of notification by FNS of the institution's ineligible status. Once included on this list, an institution shall be ineligible to participate in the program until such time as FNS, in consultation with the appropriate State agency, determines that the serious deficiency which resulted in the ineligible

status has been corrected. Any institution which is identifiable with a seriously deficient institution through its corporate organization, officers, employees, or otherwise shall also be considered to be ineligible unless it is demonstrated to the satisfaction of the State agency, with FNS concurrence, that good cause exists for considering the institution distinct from the seriously deficient institution. Denial or termination actions taken on the basis of FNS notification of ineligible status shall not be subject to administrative review as provided in 226.6(k). However, an institution which FNS has determined to be seriously deficient and which has not taken acceptable corrective action may request an administrative review of this determination by an FNS review official in accordance with the appeal procedures set forth in 226.6(k) and will not be included on the list of ineligible institutions unless FNS' determination is upheld by the review official. Serious deficiencies, which are grounds for disapproval of applications and for termination include, but are not limited to, any of the following:

(1) Noncompliance with the applicable bid procedures and contract requirements of Federal child nutrition program regulations;

(2) The submission of false information to the State agency;

(3) Failure to return to the State agency any advance payments which exceeded the amount earned for serving eligible meals, or failure to return disallowed start-up payments;

(4) Failure to maintain adequate records;

(5) Failure to adjust meal orders to conform to variations in the number of participants:

(6) The claiming of Program payments for meals not served to participants;

(7) Service of a significant number of meals which did not include required quantities of all meal components;

(8) Continued use of food service management companies that are in violation of health codes;

(9) Failure of a sponsoring organization to disburse payments to its facilities in accordance with its management plan;

(10) A history of administrative or financial mismanagement in any Federal child nutrition program

(k) Institution appeal procedures.

Except as provided in §226.8(g), each State agency shall establish an appeal procedure to be followed by an institution requesting a review of a denial of an institution's application for participation, a denial of an application submitted by a sponsoring organization on behalf of a facility, a termination of the participation of an institution or facility, a suspension of an institution's agreement, a denial of an institution's application for start-up payments, a denial of an advance payment, a denial of all or a part of the claim for reimbursement, (except for late submission under §226.10(e), a denial by the State agency to forward to FNS an exception request by the institution or sponsoring organization for payment of a late claim or a request for an upward adjustment

to a claim, demand for the remittance of an overpayment, and any other action of the State agency affecting the participation of an institution in the Program or the institution's claim for reimbursement. State agencies may use their own State appeal procedures provided the same procedures are applied to all appellants in the State and the procedures meet the following requirements: appellants are assured of a fair and impartial hearing before an independent official at which they may be represented by legal counsel; decisions are rendered in a timely manner not to exceed 120 days from the date of the receipt of the request for review; appellants are afforded the right to either a review of the record with the right to file written information, or a hearing which they may attend in person; and adequate notice is given of the place, date and procedures of the hearing. The appeal procedures adopted by the State agency shall be made available in writing each year to all institutions at the time of application for participation in the Program and upon request. If the State has not established its own appeal procedures or the procedures do not meet the above listed criteria, the State agency shall observe the following procedures at a minimum:

(1) The institution shall be advised in writing of the grounds on which the State agency based its action. The notice of action, which shall be sent be certified mail, return receipt requested, shall also include a statement indicating that the institution has the right to appeal the action;

(2) The written request for review shall be filed not later than 15 calendar days from the date the appellant received the notice of action, and the State shall acknowledge the receipt of the request for appeal within 10 calendar days;

(3) The appellant may refute the charges contained in the notice of action in person and by written documentation to the review official. In order to be considered, written documentation must be filed with the review official not later than 30 calendar days after the appellant received the notice of action. The appellant may retain legal counsel, or may be represented by another person. A hearing shall be held by the review official in addition to or in lieu of, a review of written information submitted by the appellant only if the appellant so specifies in the letter of request for review. Failure of the appellant institution's representative to appear at a scheduled hearing shall constitute the appellant institution's waiver of the right to a personal appearance before the review official, unless the review official agrees to reschedule the hearing. A representative of the State agency shall be allowed to attend the hearing to respond to the appellant's testimony and to answer questions posed by the review official;

(4) If the appellant has requested a hearing, the appellant and the State agency shall be provided with at least 10 calendar days advance written notice, sent by certified mail, return receipt requested, of the time and place of the hearing;

(5) Any information on which the State agency's action was based shall be available to the appellant for inspection from the date of receipt of the request for review.

(6) The review official shall be an independent and impartial official other than, and not accountable to, any person authorized to make decisions that are subject to appeal under the provisions of this section;

(7) The review official shall make a determination based on information provided by the State agency and the appellant, and on Program regulations;

(8) Within 60 calendar days of the State agency's receipt of the request for review, the review official shall inform the State agency and the appellant of the determination of the review;

(9) The State agency's action shall remain in effect during the appeal process. However, participating institutions and facilities may continue to operate under the Program during an appeal of termination, unless the action is based on imminent dangers to the health or welfare of participants. If the institution or facility has been terminated for this reason, the State agency shall so specify in its notice of action. Institutions electing to continue operating while appealing terminations shall not be reimbursed for any meals served during the period of the appeal if the State agency's action is upheld; and

(10) The determination by the State review official is the final administrative determination to be afforded to the appellant.

(11) Appeals shall not be allowed on decisions made by FNS on requests for exceptions to the claims submission deadlines stated in §226.10(e) or requests for upward adjustments to claims.

(12)In cases where an appeal results in the dismissal of a claim against an institution which was asserted by the State agency based upon Federal audit findings, FNS may assert a claim against the State agency in accordance with the procedures outlined in §226.14(c).

(l) Program assistance. Each State agency shall provide technical and supervisory assistance to institutions and facilities to facilitate effective Program operations, monitor progress toward achieving Program goals, and ensure compliance with the Department's nondiscrimination regulations (Part 15 of this title) issued under Title VI of the Civil Rights Act of 1964. Documentation of supervisory assistance activities, including reviews conducted, corrective actions prescribed, and follow-up efforts, shall be maintained on file by the State agency. Program reviews shall assess institutional compliance with the provisions of this part and with any applicable instructions of FNS and the Department. State agencies shall annually review 33.3 percent of all institutions. State agencies shall also ensure that each institution is reviewed according to the following schedule.

(1) Independent centers, sponsoring organizations of centers and sponsoring organizations of day care homes with 1 to 200 homes

shall be reviewed at least once every four years. Reviews of sponsoring organizations shall include reviews of 15 percent of their child care, adult daycare and outside-school-hours care centers and 10 percent of their day care homes.

(2) Sponsoring organizations with more than 200 homes shall be reviewed at least once every two years. Reviews of such sponsoring organization shall include reviews of 5 percent of the first 1,000 homes and 2.5 percent of all homes in excess of 1,000.

(3) Reviews shall be conducted for newly participating sponsoring organizations with five or more child care facilities or adult day care facilities within the first 90 days of program operations.

(m) Program irregularities.

Each State agency shall promptly investigate complaints received or irregularities noted in connection with the operation of the Program, and shall take appropriate action to correct any irregularities. State agencies shall maintain on file evidence of such investigations and actions. FNS and OIG may make investigations at the request of the State agency, or whenever FNS or OIG determines that investigations are appropriate.

(n) Child care standards compliance.

The State agency shall, when conducting administrative reviews of child care centers, outside-school-hours care centers, and day care homes approved by the State agency under paragraph (d)(3) of this section, determine compliance with the child care standards used to establish eligibility, and the institution shall ensure that all violations are corrected and the State shall ensure that the institution has corrected all violations. If violations are not corrected within 60 calendar days of written notification to the institution, the State agency shall terminate the Program participation of the violating institution or facility. However, if the health or safety of the children is imminently threatened, the State agency may immediately terminate participation of the institution or facility. If, during an administrative review of a child care center, outside-school-hours care center, or day care home not approved by the State agency under paragraph (d)(3) of this section, the State agency observes violations of applicable health, safety, or staff-child ratio standards, or attendance in excess of licensed capacity, the State agency shall promptly refer such violations to the appropriate authority. The State agency may deny reimbursement for meals served to attending children in excess of authorized capacity.

§226.8 Audits.

(a) Unless otherwise exempt, audits at the State and institution levels shall be conducted in accordance with the Office of Management and Budget's Circulars 1-128 and A-110 and the Department's Uniform Federal Assistance Regulations (7CFR Part 3015). Title XIX and Title XX proprietary institutions not subject to organization-wide audits shall be audited by the State agency at least once every two years.

(b) The funds provided to the State agency under §226.4(h) may be made available to institutions to fund a portion of organization-wide audits, provided that the organization-wide audit includes tests of the CACFP in accordance with Section 10.558 of the Compliance Supplement to OMB Circular A-128. The funds provided to an institution for an organization-wide audit shall not exceed the portion of the audit's cost equal to the CACFP's portion of the total Federal grant.

(c) Funds provided under §226.4(h) may be used by the State agency to conduct program-specific audits of institutions not subject to organization-wide audits, or for which the State agency considers program specific audits to be needed. The State agency may use any funds remaining after all required program-specific audits have been performed to conduct administrative reviews of institutions.

(d) Funds provided under §226.4(h) may only be obligated during the fiscal year for which those funds are allocated. If funds provided under §226.4(h) are not sufficient to meet the requirements of this section, the State agency may then use available State administrative expense funds to conduct audits, provided that the State agency is arranging for the audits and has not passed the responsibility down to the institution.

(e) In conducting management evaluations or audits for any fiscal year, FNS or OIG may disregard any overpayment which does not exceed $100. In conducting State agency sponsored audits in State administered programs, the State agency may disregard any overpayment which does not exceed the amount established by State law, regulations or procedures as a minimum for which claims will be made for State losses generally. No overpayment shall be disregarded, however, where there are unpaid claims of the same fiscal year from which the overpayment can be deducted, or where there is evidence of violation of criminal law or civil fraud statutes.

(f) While OIG shall rely to the fullest extent feasible upon State sponsored audits, OIG may, whenever it considers necessary:

(1) Make audits on a statewide basis;

(2) Perform on-site test audits;

(3) Review audit reports and related working papers of audits performed by or for State agencies.

(g) State agencies are not required to provide a hearing to an institution for State actions taken on the

basis of a Federal audit determination. If a State agency does not provide a hearing in such situations, FNS will provide a hearing, upon request, in accordance with procedures set forth in §226.6(j) of this part.

§226.23(h) Verification of eligibility.

State agencies shall conduct verification of eligibility for free and reduced price meals on an annual basis, in accordance with the verification procedures outlined in paragraphs (h)(1) and (2) of this section. Verification may be conducted in accordance with Program assistance requirements of §226.6(l); however, the performance of verification for individual institutions shall occur no less frequently than once every four years. Any State may, with the written approval of FNSRO, use alternative approaches in the conduct of verification, provided that the results achieved meet the requirements of this part. If the verification process discloses deficiencies with the determination of eligibility and/or application procedures which exceed maximum levels established by FNS, State agencies shall conduct follow-up reviews for the purpose of determining that corrective action has been taken by the institution. These reviews shall be conducted within one year of the date the verification process was completed. The verification effort shall be applied without regard to race, color, national origin, sex, age, or handicap. State agencies shall maintain on file for review a description of the annual verification to be accomplished in order to demonstrate compliance with paragraphs (h)(1) and (2) of this section.

(h)(1) Verification procedures for nonpricing programs. State agency verification procedures for nonpricing programs shall consist of a review of all approved free and reduced price applications on file to ensure that:

(i) The application has been correctly and completely executed by the household;

(ii) the institution has correctly determined and classified the eligibility of enrolled participants for free or reduced price meals based on the information included on the application submitted by the household;

(iii) the institution has accurately reported to the State agency the number of enrolled participants meeting the criteria for free or reduced price meal eligibility and the number of enrolled participants that do not meet the eligibility criteria for those meals;

(iv) in addition, the State agency may conduct further verification of the information provided by the household on the approved application for program meal eligibility. If this effort is undertaken, the State agency shall conduct this further verification for nonpricing programs in accordance with the procedures described in paragraph (h)(2) of this section.

(h)(2) Verification procedures for pricing programs.

(i) For pricing programs, in addition to the verification procedures described in paragraph (h)(1) of this section, State agencies shall also conduct verification of the income information provided on the approved application for free and reduced price meals and, at State agency discretion, verification may also include confirmation of other information required on the application. However, (A) if a food stamp or AFDC case number is provided for a child, verification for such child shall include only confirmation that the child is included in a currently certified food stamp household or AFDC assistance unit; ...

(ii) State agencies shall perform verification on a random sample of no less than 3 percent of the approved free and reduced price applications in an institution which is a pricing program.

(iii) Households shall be informed in writing that they have been selected for verification and they are required to submit the requested verification information to confirm their eligibility for free or reduced price benefits by such date as determined by the State agency. Those households shall be informed of the type or types of information and/or documents acceptable to the State agency and the name and phone number of an official who can answer questions and assist the household in the verification effort. Households of enrolled children selected for verification shall also be informed that if they are currently certified to participate in the Food Stamp or AFDC Program, they may submit proof of that certification in lieu of income information. In those cases, such proof shall consist of a current "Notice of Eligibility" for Food Stamp or AFDC Program benefits or equivalent official documentation issued by a food stamp or welfare office which shows that the children are members of households or assistance units currently certified to participate in the Food Stamp or AFDC Programs. An identification card for either program is not acceptable as verification unless it contains an expiration date. ... All households selected for verification shall be advised that failure to cooperate with verification efforts will result in a termination of benefits.

(iv) Sources of information for verification may include written evidence, collateral contacts, and/or systems of records.

(A) Written evidence shall be used as the primary source of information for verification. Written evidence includes written confirmation of a household's circumstances, such as wage stubs, award letters, letters from employers, and, for enrolled children, current certification to participate in the Food Stamp or AFDC Programs, or, for adult participants, current certification to participate in the Food Stamp, SSI or Medicaid Programs. Whenever written evidence is insufficient to confirm eligibility, the State agency may use collateral contacts.

(B) Collateral contact is a verbal confirmation of a household's circumstances by a person outside of the

household. The collateral contact may be made in person or by phone and shall be authorized by the household. The verifying official may select a collateral contact if the household fails to designate one or designates one which is unacceptable to the verifying official. If the verifying official designates a collateral contact, the contact shall not be made without providing written or oral notice to the household. At the time of this notice, the household shall be informed that it may consent to the contact or provide acceptable verification in another form. The household shall be informed that its eligibility for free or reduced price meals shall be terminated if it refuses to choose one of these options. Termination shall be made in accordance with paragraph (h)(2)(vii) of this section. Collateral contacts could include employers, social service agencies, and migrant agencies.

(C) Systems of records to which the State agency may have routine access are not considered collateral contacts. Information concerning income, family size, or food stamp/AFDC certification for enrolled children, or food stamp/ SSI/Medicaid certification for enrolled adults, which is maintained by other government agencies and to which a State agency can legally gain access may be used to confirm a household's eligibility for CACFP meal benefits. One possible source could be wage and benefit information maintained by the State unemployment agency, if that information is available. The use of any information derived from other agencies must be used with applicable safeguards concerning disclosure.

(v) Verification by State agencies of receipt of food stamps, AFDC, SSI or benefits shall be limited to a review to determine that the period of eligibility is current. If the benefit period is found to have expired, or if the household's certification has been terminated, the household shall be required to document their income eligibility.

(vi) The State agency may work with the institution to verify the documentation submitted by the household on the application; however, the responsibility to complete the verification process may not be delegated to the institution.

(vii) If a household refuses to cooperate with efforts to verify, or the verification of income indicates that the household is ineligible to receive benefits or is eligible to receive reduced benefits, the State agency shall require the pricing program institution to terminate or adjust eligibility in accordance with the following procedures. Institution officials shall immediately notify families of the denial of benefits in accordance with paragraphs (e)(4) and (e)(5) of this section. Advance notification shall be provided to families which receive a reduction or termination of benefits 10 calendar days prior to the actual reduction or termination. The 10-day period shall begin the day the notice is transmitted to the family. The notice shall advise the household of: (A) the change; (B) the reasons for the change; (C) notification of the right

to appeal the action and the date by which the appeal must be requested in order to avoid a reduction or termination of benefits; (D) instructions on how to appeal; and (E) the right to reapply at any time during the year. The reasons for ineligibility shall be properly documented and retained on file at the institution.

(viii) When a household disagrees with an adverse action which affects its benefits and requests a fair hearing, benefits shall be continued as follows while the household awaits the hearing:

(A) Households which have been approved for benefits and which are subject to a reduction or termination of benefits later in the same year shall receive continued benefits if they appeal the adverse action within the 10-day advance notice period; and

(B) Households which are denied benefits upon application shall not receive benefits.

(3) State agencies shall inform institution officials of the results of the verification effort and the action which will be taken in response to the verification findings. This notification shall be made in accordance with the procedures outlined in §226.14(a).

(4) If the verification results disclose that an institution has inaccurately classified or reported the number of participants eligible for free, reduced price or paid meals, the State agency shall adjust institution rates of reimbursement retroactive to the month in which the incorrect eligibility figures were reported by the institution to the State agency.

(5) If the verification results disclose that a household has not reported accurate documentation on the application which would support continued eligibility for free or reduced price meals, the State agency shall immediately adjust institution rates of reimbursement. However, this rate adjustment shall not become effective until the affected households have been notified in accordance with the procedures of paragraph (h)(2)(vi) of this section and any ensuing appeals have been heard as specified in paragraph (h)(2)(viii) of this section.

~ Chapter 11 Section B ~

Ohio Department of Education Policies and Guidance Child and Adult Care Food Program Visits, reviews, and audits

When an agency signs an agreement to sponsor the Child and Adult Care Food Program it is assuming full financial and administrative responsibility for the management of the program in the local community. Since sponsors act in the place of the state agency in the local community, it is the state agency's responsibility to assure sponsor compliance with federal requirements and ODE policies for the CACFP. ODE regularly visits and reviews sponsors to assure compliance with program requirements and policies, to help sponsors build on strengths, and to make necessary program improvements.

Federal regulations establish the frequency and type of review required by state agencies. In addition, federal regulations detail state agency responsibility when sponsor deficiencies are identified. Sponsors are to be given every reasonable opportunity to correct any deficiencies with termination of program participation occurring only when correction appears unlikely or false information has intentionally been given to the state agency.

Occasionally sponsors will be reviewed or visited by FNSRO or other federal investigators. Federal regulations do not establish a schedule for these visits or reviews.

This section of the manual describes the types of visits, reviews, and audits a sponsor should expect, procedures that will be followed, the information needed, and what sponsor responsibilities are for correcting any findings. Information about agency appeal of ODE findings during a review can be found in chapter 3 of this manual.

1. **Types of visits**

   Sponsors can expect three basic types of visits from the state agency: a preapproval visit, a 45-day visit, and a technical assistance visit. Visits are not bound by the formal requirements of a state agency review.

   Occasionally a visit may include the specific steps required in an administrative review (see item 2). The purpose of the visit, however is to examine sponsor management procedures and determine where help is needed. Financial penalty for errors is generally not made during a visit.

a. **Preapproval visits**
This is the on-site evaluation of an applicant prior to final approval as a sponsor. At the preapproval visit ODE will determine whether the facilities, staff, and plan are sufficient for successful administration of federal requirements and state policies.

b. **90-day visit**
This is an on-site evaluation of the management activities of a new sponsor. It occurs within 90 days after the application is approved, or after 5 homes are active and claiming.

c. **Technical assistance visit**
This is a meeting between ODE and the sponsor to explain program requirements or offer suggestions to improve procedures, recordkeeping, or forms. If a partial review is done, it is to support the technical assistance.

2. **Types of reviews**
Federal regulations require ODE to conduct several different types of reviews to evaluate the sponsor's management and determine whether the agency is in compliance with program regulations and policies. The following types of reviews are required in the CACFP:

a. **Administrative review**
A review of all program operations and information needed to support a sponsor's claim for reimbursement. This review may be unannounced. Administrative review findings, requiring sponsor repayment of overclaims or misclaims, are limited to the month being reviewed.

b. **Verification review**
A review of all program operations and information needed to support a sponsor's claim for reimbursement. The verification review must be announced in advance. Sponsors usually have input in deciding the dates for the review. Verification review findings requiring sponsor repayment of overclaims or misclaims include the month being reviewed **and** all months in error back to the beginning of the fiscal year. Findings cannot cross fiscal years. At minimum, a verification review must be completed once every four years.

c. **Follow-up review**
Follow-up reviews occur at the discretion of ODE. They are used to determine if errors found in previous reviews have been corrected. Any action or inaction on the part of the sponsor that calls into question the accuracy of the claim is cause for follow-up review. Follow-up reviews will occur at the site of the previous review. In addition,

- follow-up within 12 months after a verification review is required when a sponsor, with 500 or more Income Eligibility Applications, has an error rate of 10%.

- follow-up after a verification review of a sponsor with less than 500 Income Eligibility Applications may involve an on-site visit or another method to determine claim accuracy. ODE will consider the cost effectiveness of an on-site visit as well as the sponsor's past history of correcting findings. An example of an alternate method of determining claim accuracy might be requiring the sponsor to send copies of all IEA's to determine that errors have been corrected.

d. **Civil rights compliance review**
A civil rights compliance review is an evaluation of procedures and activities required of the sponsor to meet CACFP civil rights requirements to ensure all eligible persons have equal access to the program. This review may be completed as part of an administrative or verification review. A civil rights compliance review must be completed at least once every five years. Please see the chapter titled *Civil Rights Compliance in the CACFP* for more specific information about compliance with civil rights regulations.

3. **Review frequency**
Family day care home sponsors are reviewed by the state agency usually once every two to three years. Federal regulations require ODE to review sponsors with more than 200 family day care providers every two years and sponsors with 1 - 200 homes at least once every four years. In addition, reviews occur more often for an agency that has frequent turnover of staff or one that is having difficulty and needs technical assistance.

4. **What to expect during an ODE review**
One month of program operations and information needed to support a sponsor's claim for reimbursement will be thoroughly reviewed.

a. **Determining the review month**
The review month is usually the month most recently claimed.

b. **Initial contact with the sponsor**
Unless the review is unannounced, the ODE family day care specialist will contact the sponsor to coordinate dates for the review and discuss any questions the sponsor may have.

c. **Follow-up confirmation letter from ODE**
At least two weeks before the review, a letter will be sent to the sponsor confirming the date(s) the review will occur, the type of review, the claim month to be reviewed, and the approximate number of homes that will receive unannounced home visits. The letter will also summarize the records that must be available.

d. **Selecting providers to visit**
Prior to the review, the ODE family day care specialist will select a list of providers to visit and may ask the sponsor to choose a sample from that list. If 20 homes are to be visited, the list will include 30-40 providers.

e. **Number of home visits required at a review**
By federal regulations the number of home visits required during administrative and verification reviews is determined by the number of providers who claimed reimbursement during the month being reviewed.
- when 1 - 200 providers claim meals during the review month, 10% of all providers must be visited.
- when 201 - 1,000 providers claim meals during the review month, 5% of all providers must be visited.
- when more than 1,000 providers claim meals, 5% of the first 1,000 providers must be visited and 2.5% of all providers over 1,000 must be visited.

f. **Scheduling home visits**
After homes have been chosen, the sponsor is usually asked to develop a visit schedule. The visit schedule should be based on currently approved meal times and proximity of the providers to each other.

g. **On-site home visits**
All home visits during a review are to be unannounced.
The purpose of the visit is to ascertain the provider's understanding of and compliance with program requirements.
- the ODE family day care specialist will visit the providers selected, with an agency representative, usually the provider's regular home visitor.
- the home visitor should conduct the visit as s/he normally would and should complete the required home visit report.
- while in the home, the ODE specialist will review and record the names, ages, and number of children in care, the menus and attendance records, and the general health and safety standards of the home. The specialist will talk with the children and the provider and, when possible, observe a meal service.
- federal regulations require the specialist to report any violations of group size or other approval or licensing standards to the department of human services.

h. **On-site review of office records**
- all records to support the claim for reimbursement for the review month will be evaluated. Program management records related to training, supervision, technical assistance, home visits, and meal claims will be checked.

- the office visit may precede or follow the home visits depending on convenience.

i. **Review of menu and attendance records**
The family day care specialist will evaluate the review month menus and attendance records for a sample of providers to assess accuracy and completeness in processing. If providers were paid for meals that did not meet program guidelines, the sponsor will be asked to make administrative and management changes to better train staff in program requirements and in the mechanics of processing the claims. The value of incorrectly paid meals may be reclaimed from the sponsor.

j. **Review of enrollment forms**
Enrollment forms will be reviewed to determine if the children observed in attendance during state agency visits were eligible for meal benefits. Meals paid incorrectly will be reclaimed from the sponsor.

k. **Review of Income Eligibility Applications**
The family day care specialist will review the Income Eligibility Applications for **all** residential children The accuracy of this information is of utmost importance. Sponsors will be required to repay overclaims resulting from missing, expired, incomplete, or incorrectly categorized IEA's. Repayment for these errors is solely the responsibility of the sponsor. Providers cannot be asked to make this repayment as missing, expired, incomplete, or incorrectly categorized IEA's are considered the sponsor's administrative responsibility.
- for a verification review, repayment of overclaims for IEA errors will be required for all months from the month of the review to the month where the error(s) began. Penalties cannot extend into the previous fiscal year.
- for an administrative review, repayment of overclaims for IEA errors will be required for only the month of the review.

l. **Review of clerical and other reporting requirements**
The family day care specialist will check for clerical or other reporting errors. When errors of this kind are found in the review month, the previous month is checked for the same problem. If it is repeated, additional months may be checked and corrections made. This process cannot cross fiscal years.

m. **Review of check disbursement**
The family day care specialist will review documentation of check disbursement to providers to assure checks are mailed within five working days after funds are received from ODE.

n. **Review of training documentation**
Documentation of provider training will be reviewed to determine if all providers have attended CACFP required training within the past 12 months.

o. **Review of fiscal records**
All program fiscal records which support the claim for administrative funds will be validated for the review month.

p. **The state agency exit report**
Within a few weeks after the review, ODE will prepare a final report detailing program strengths and any fiscal or programmatic findings that the sponsor will need to address. An exit interview will be arranged with the administrator and any other pertinent staff to discuss the review, highlighting program strengths and any findings to be corrected.

q. **Sponsor response to the exit report**
Within 30 days after receiving the exit report, the sponsor must document corrections in writing to the state agency. Payment of claims may be withheld if the response is overdue. The local CACFP administrator is responsible for collecting and sending required information to ODE. If the sponsor has district offices, staff should send pertinent information to the administrator of the program and not directly to the state agency.

r. **Follow-up visit to the sponsor**
A follow-up visit may be scheduled with the sponsor when a review shows areas of management that need additional supervision or require another visit to confirm that corrections are made. Sponsors will be allowed a reasonable amount of time between the review and follow-up visit to make the necessary changes.

5. **Types of audits**

a. **Audits contracted by ODE**
Audits are typically performed every two years by an outside audit firm under contract with the Ohio Department of Education, Child and Adult Care Food Program.

b. **Audits contracted by the sponsor**
A sponsor may use an agency-wide audit in place of the ODE provided audit if
- the sponsor has the approval of the state agency to conduct its own agency-wide audit in place of the ODE contracted audit
- the audit meets the same objectives as the state agency contracted audit
- the agency auditor conducts a specific review of CACFP fiscal and management functions

6. **What to expect during an ODE audit**

Audits are conducted in accordance with U.S. General Accounting Office (GAO) "Government Auditing Standards for Audit of Governmental Programs, Activities and Functions", and the U.S. Office of Management and Budget (OMB) "Uniform Administrative Requirements for Grants-in-aid to State and Local Government". The audit covers financial and compliance elements of the GAO standards for a three month period, including internal and management controls, methods of reimbursement, food service to children, funds received, operating costs, and evaluation of the sponsor's compliance with applicable grant provisions.

a. **Initial letter to the sponsor from the audit company**

The audit company will issue an introductory letter to each sponsor immediately after being awarded the contract to conduct the audit. The letter will inform the sponsor that they will be contacted again two weeks prior to the actual audit.

b. **On-site visit**

The audit company will make an on-site visit to the sponsor to evaluate the accounting system and internal controls according to generally accepted accounting procedures.

- paperwork from a random sample of providers will be evaluated.
- administrative costs, receipts and disbursement of U.S. Department of Agriculture funds will be examined and verified.

c. **Exit conference**

After completing the on-site review, the auditor will hold an exit conference with sponsor management officials to discuss the results of the audit.

d. **Management letter**

The audit company may issue a management letter to the sponsor identifying instances of noncompliance and internal control weaknesses in program management. Specific costs owed are not included in this letter. The sponsor must send any management letter received to the state agency within 30 days after receipt.

e. **Report of findings**

The audit company will submit a report of findings and recommended corrective action to the state agency.

f. **Resolving audit findings**

After reviewing and verifying the audit report, the CACFP Assistant Director will contact the sponsor by letter about resolution of audit findings.

7. **Serious deficiencies**
A sponsor is seriously deficient when findings identified at a review or audit are not corrected in a reasonable period of time. Termination from the program may follow if the sponsor does not correct documented problems. Examples of serious deficiencies that may result in sponsor termination include: submitting false information to the state agency, failure to maintain adequate records, claiming program payments for meals not served to participants, claiming program payments for meals that did not meet program requirements, failure to send payment to homes within the required five working days of receipt of the funds from ODE, failure to return unused start-up payments, and failure to return advance administrative payments in excess of actual costs.

8. **Recordkeeping requirements**
All records related to program management and claims for administrative and provider meal costs must be kept on file for three past years as well as the current program year. These records must be available for visits, reviews, and audits. A sponsor who leaves the program voluntarily or who is terminated by the state agency is still obligated to maintain records for this period.

a. **Administrative records that must be maintained include**
(1) approved program agreement
(2) approved program application with budget and management plan
(3) claims for reimbursement with attached summary of provider payments
(4) copies of state agency payment warrants
(4) record of bank deposits of USDA funds
(5) invoices, receipts, etc. for administrative costs
(6) check register and cancelled checks to providers for meal payments
(7) contracts, as applicable, including rent/lease agreements
(8) forms recording home visits to providers
(9) record of findings, corrective action, or technical assistance given to providers (general help with menu planning may be included with provider records)
(10) record of CACFP and nutrition related training for providers including dates, location, topics, and participants
(11) record of staff training in CACFP requirements
(12) location of records for past three program years.

b. **Provider records that must be maintained include**
(1) agreement/application (form 009/009A) signed by ODE, the sponsor and the provider

(2) for alternately approved homes - fire and health inspections and CACFP standards
(3) for certified and licensed homes - record of approval from approving agency
(4) income eligibility applications for providers claiming meals of residential children
(5) child enrollment forms for children receiving meal benefits
(6) documentation of migrant status or disability for children beyond 12 years of age
(7) documentation of reason for meals eaten in the provider's home by schoolage children during regular school hours (illness, school closings, no school lunch program...)
(8) monthly menus records from providers
(9) record of help given to providers to correct errors in menu planning or recordkeeping

Types of Reviews

Characteristics	Administrative	Verification	Follow-up	Civil Rights Compliance	Audit
Review occurs every 2 or 3 years of program operation.	x				x
Review must be completed at least once every 4 years.		x			
Review must be completed within 12 months of substantial findings of program deficiencies.			x		
Review must be announced.		x			x
Review may be announced or unannounced.	x		x	x	
Review month is the one most recently claimed for payment.	x	x	x	x	
Penalties for missing or incorrect IEA's are confined to the review month.	x		x		3 month period chosen by ODE
Penalties for missing or incorrrect IEA's include all months with errors, back to the beginning of the fiscal year.		x			
Review focuses on previous findings and corrective action.			x		
Review includes all aspects of fiscal, administrative, and provider management.	x	x			x
Review focuses on sponsor's compliance with civil rights regulations.				x	
Fiscal evaluation by an outside firm under contract with ODE.					x
Fiscal evaluation by an outside firm. Must be preapproved by ODE and specific to the CACFP.					x

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